CANADA:
THE WESTERN CITIES
THEIR BORROWINGS
AND THEIR ASSETS

HENRY HOWARD

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BY

HENRY HOWARD,

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TO FRIENDS IN CANADA

WHOSE KIND CO-OPERATION DURING
MY TRANS-CONTINENTAL TOURS IN 1910
AND 1913 SO GREATLY FACILITATED
THE PRODUCTION AND ENHANCED
THE VALUE OF THESE LETTERS.

HENRY HOWARD.

London, *March, 1914.*

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THE WESTERN CITIES:

THEIR BORROWINGS AND THEIR ASSETS.

I.—WINNIPEG.

Winnipeg, Sept., 1913.

When I left England in the middle of August last, the question had arisen as to whether the borrowings of the Municipalities of Western Canada, generally, had not exceeded the limits which prudence would have prescribed, and a considerable discussion of this matter was still prevailing. In view of the very large amount of capital which has been found by British investors for the building-up of the Canadian West, the subject is one of importance to the readers of the "Investors' Guardian," and I therefore propose to deal with it in this, and in future letters.

The Western cities of the Dominion differ so much from one another as to population, as to progress actually achieved, and as to the possibilities of the future, that it would be idle to lump them together and to give a decision as to the lot. Therefore I propose to deal with them separately, and as I am now in Winnipeg, after an absence of three years, I shall devote this letter to

an examination of the position, financial, social and commercial, of the capital of Manitoba, so as to make it clear whether the confidence in its securities, as shown by the low rate of interest which they bear, and by the readiness with which they have been absorbed, may be with safety as fully accorded to them in the future, in the event of new borrowings being required.

Of its existing debentures, the only ones paying so high a rate as 5 per cent. are those first issued, on April 20, 1884 (amounting to $671,600), which mature on the April 20 next, all the subsequent issues paying either 3½ or 4 per cent., while the whole of the consolidated stock has been issued bearing a 4 per cent. rate.

In 1884 Winnipeg had emerged from its chrysalis stage as the Hudson Bay Company's station, Fort Garry, for the assessment records show that in the following year the population amounted to 19,754, as compared with 1,869 inhabitants in 1874, and 215 in 1870. In 1898 the population was 39,384, and the following table gives the figures for 1902 and the succeeding years :—

1902	48,411	1908	118,252
1903	56,741	1909	122,390
1904	67,262	1910	132,720
1905	79,975	1911	151,958
1906	101,957	1912	166,553
1907	111,729		

And 1913 will show at least as large or, probably, a greater proportionate increase.

It is a matter of common knowledge that one of the causes of this marvellous increase of population is its splendid position with regard to the wheat lands of the West. Standing between the Atlantic and Pacific oceans, Winnipeg has become not only the greatest

grain centre of the American Continent, but also the largest commercial, manufacturing and banking city of the West.

The development of Winnipeg has been more than commensurate with its growth of population. It might have numbered as many souls and yet remained a disorganised and squalid congery of ill-arranged streets and buildings. But its citizens have been men of too much energy, ability and foresight to permit of such a calamity. From the first, they have had faith in the fortunes of their city and in its ultimate destiny to a high position amongst the leading cities of the world, a position which, I make bold to say, it has already attained.

No doubt the figures which are available to the general reader, from which he will learn that since 1902 building permits in Winnipeg have been issued to the extent of £23,000,000 sterling, will mean much ; he will note with some surprise that the municipal assessment on real estate, site values and the buildings thereon, is on a valuation of £43,000,000 sterling as against £5,000,000 so recently as 1900 ; he will be interested to know that the bank clearings increased from £38,000,000 in 1902 to £307,000,000 in 1912, and that the output of the Winnipeg factories increased from £1,900,000 in 1900 to £10,000,000 in 1910. Yet with all these facts and figures before him, I feel assured that he would be none the less amazed could he actually put foot in this marvellous city.

Beautiful wide streets, perfectly asphalted, with two lines for the fine service of electric cars (having an 86 miles service), and with ample room for all other vehicular traffic, fine granolithic pavements, with granite curbings, a good water supply, a magnificent municipal electric installation for power and light from water-

power 77 miles distant, sewers and sanitation of the most up-to-date nature, numerous and beautiful public parks, an efficient police, an effective high service fire control, and a system of public schools verging on the luxurious. What a change from the old trading station of Fort Garry! Some of the old voyageurs undoubtedly still exist, and it would be interesting to be with them as they walk past the noble buildings in the principal thoroughfares, Main Street and Portage Avenue, as wide as the boulevards of Paris, but better kept, more brilliantly lit than the Place de l'Opéra and the Rue de la Paix, thronged by day and late into the night by a concourse of well-dressed and well-nourished people.

Lest it may be thought that the attention of the municipal street authorities has been confined to these two thoroughfares, I would mention that the asphalted streets of the first class aggregate 81 miles, and of the second class 11½ miles. Winnipeg has its own municipal asphalting plant, and hence, perhaps, the extent and excellence of its well-kept roads. In addition, 30 miles have been laid with wood blocks, and 40 miles have been macadamised. Of the sidewalks, 109 miles have been laid with granolithic pavements, and 368 miles are planked. There are 216 miles of sewers.

In order to defray part of the cost of these improvements, Winnipeg has issued debentures and stock for $30,134,482, say, roughly, £6,000,000, but towards the repayment of this there is already a sinking fund in hand of $3,205,529, say, roughly, £640,000, thus leaving a net liability of about £5,360,000, a very large proportion of which is covered by remunerative and, at need, easily realisable assets.

The Municipal Commissioner, Mr. C. F. Roland, and Mr. J. W. Harris, the Assessment Commissioner, have

kindly given me much information as to Winnipeg, and as to the manner in which it levies its assessments. All land within the area of the municipality is divided into building lots, and the tax on its site value is assessed on the full money value of each of these lots. If buildings are erected on the lots, these bear an additional tax on two-thirds of their value. The taxation on the above real estate for 1912 was at the rate of 12 mills, equal to one and one-fifth cents to the dollar, or about 3d. to the £1 sterling. This produced the sum of $2,573,403. In addition there is a so-called "business tax" of 6⅔ per cent., levied on the rental value of business premises, which produced in 1912 $307,952, making a total of $2,881,355, this covering the whole of the general municipal taxation, including the school rate, which amounted in 1912 to no less than $765,000. When new streets and pavements are made, and sewers laid, the cost is assessed on the abutting properties, on the basis of their foot frontage to these streets. To prevent hardship to the owners, the city undertakes all these improvements and assesses a proportion of the cost each year over a given number of years. This is called a special assessment, as it is not levied on the general taxpayers of the city, but only on those immediately interested in these local improvements. These "Special Assessments" for 1912 produced a further sum of $927,518, making a total revenue from these sources of $3,808,873. Other receipts, from licences, fees, fines in the police courts, &c., brought the grand aggregate for 1912 up to $4,900,000, or say, roughly, £800,000, a sum which will be largely exceeded in the present year.

I have shown that the balance of the outstanding debentures and consolidated stock now stands at about

£5,360,000, which, at 4 per cent., entails a payment of £214,400 a year, or but little over £1 stg. per head.

It gives me pleasure to state as the result of many enquiries, that the municipality is run on good, sound lines, free from the "graft" which is the bane of some of the Corporations across the line. It is my opinion that Winnipeg can be trusted to borrow only so much as she may require for the good of the municipality, and that there can be no manner of doubt as to the prompt payment of principal and interest of all loans at their due dates.

The three great transcontinental lines, the Canadian Pacific, the Grand Trunk Pacific, and the Canadian Northern, all have important control departments at Winnipeg, and through Winnipeg passes every train, passenger or freight, bound East and West across the Dominion.

In view of the rapid and continuous development of Winnipeg, the existing water supply does not satisfy the Corporation, and the Mayor, Mr. Thomas R. Deacon, has for many years been a strenuous advocate for obtaining a much more copious supply. The result of the movement has been the legalised formation of a Corporation called the "Greater Winnipeg Water District," which consists of the City of Winnipeg, with the adjacent townships of Transcona, St. Vital, Fort Garry, Charleswood, Assiniboia and Kildonan, the object being to supply this great area of 91 square miles with pure water from Shoal Lake, which is situated about 95 miles from Winnipeg.

In 1902 the quantity of water daily supplied to Winnipeg was 32 gallons per head; in 1912 it was 47 gallons

per head, the total daily supply being 1,550,000 gallons in the former year and 7,550,000 in the latter. Under the new scheme a supply of pure soft water, ample enough to supply a population of 850,000 with 85 gallons a day will be obtained, and this supply will be capable of extension if required. It is estimated that the cost will be about £2,600,000 and that the building of the aqueduct and the laying of the main pipe will extend over a period of five years. The financing of the scheme will be in the hands of the Greater Winnipeg Water District, but the City of Winnipeg will have a controlling power in its management.

II.—PRINCE ALBERT.

No visitor to Prince Albert can fail to be struck with its advantageous position on the banks of the River Saskatchewan, and if it has not as yet progressed with the same rapidity as some of the other cities of Western Canada, it does not follow that its very moderate borrowings for municipal purposes are not based upon as fully a sound proportionate basis.

Before the Riel rebellion in 1885 Prince Albert was simply a prosperous Hudson Bay trading village, with some 300 or 400 people. In the year following the rebellion it was incorporated as a town, with a population of 1,200. Sixteen years later, in 1902, when the present City Clerk, Mr. C. E. Davison, took charge of the civic finances, the population was only 2,000, and by the end of 1906 it had barely exceeded a roll of 3,000. Then the municipality began to profit by the general attention which was being lavished on the West, and Prince Albert by the end of 1910, with a population of 8,000, had considerably more than doubled its figures, and, if one judges from the data now accessible, it will be surprising if, during the succeeding period of four years now in progress, terminating in 1914, the figures are not again doubled, with a resulting population of 16,000.

From what I have see of the grain crop for 1913 of Western Canada up to the present time I should judge that it is better than the harvest of 1910, when I was

last in the West, and that year, taking into account the proportionate acreage, was better than either of the intervening ones. Prince Albert will greatly benefit from this good crop, as the homestead entries show no sign of abatement, the figures being 2,263 entries in 1912 as against 2,099 in the previous year.

The following table is important as showing the increase in the value of the property on which assessment is levied, and encouraging in the decrease in the percentage of tax levied thereon, from 18 mills to the dollar in 1905 to 11 mills (one and one-tenth cents) to the dollar in the current year, the lowest on record :—

	Assessment	Tax Rate Mills per dol
1901	$983,624	17¾
1902	1.037,966	19¾
1903	1.028.010	14½
1904	1 324.696	17½
1905	1.501.004	18
1906	2,028.583	17
1907	4.829.355	14
1908	5.040.738	10
1909	5.682.879	15
1910	6.150.285	15¼
1911	11.223.925	13⅓
1912	18.985.107	13
1913	31.667.713	11

In Prince Albert, as in Winnipeg, every lot within the city boundary is numbered and has a valuation affixed to it, on which the tax is levied. Formerly the buildings on these lots were also taxed, and three years ago this tax was levied to the extent of 60 per cent. of their value. The Provincial Legislature of Saskatchewan then passed an Act permitting the reduction of this tax on buildings by 15 per cent., and the municipality of Prince Albert accordingly reduced the tax by 15 per cent., making it 45 per cent. In the following

year they reduced it by a second similar reduction, making it 30 per cent.; this year they have reduced it to 15 per cent., and next year there will be no assessment on buildings. The iniquity of the single tax is, however, avoided by a tax on the floor-space occupied by business houses, which in a measure serves the same purpose as the so-called "Business Tax" of Winnipeg, which is levied on the rental value of the premises occupied by business men.

The revenue derived from these taxes is $297,793, or, say, £60,000 stg., in addition to which an additional revenue of £13,000 stg. is derived from special assessments (works done by the city for the benefit of individual citizens, &c.), so that the total revenue of Prince Albert for the current year is £73,000 stg. The expenditure balanced at this amount, including school expenditure of £13,000 stg.

The total amount of the debenture debt of the city is $3,031,232, say £600,000, and the annual yearly charge on it is about £24,000. The debt is more than covered by the valuable municipal assets, $3,308,498, without taking into account such necessary, valuable and costly work as water mains, sewers, paving and street improvements, representing $849,533, not included in the above.

In this connection it may be mentioned that the water mains were extended from a length of 15 miles in 1911 to 19½ miles in 1912, the side walks from 12 miles to 15 miles, and the sewerage from 13 miles to 17 miles.

Prince Albert can bear no part of the reproach for undue municipal borrowing; on the contrary, I consider its Corporation an extremely conservative one, but I am pleased to note that they have not allowed their prudence to stand in the way of their utilisation of the

water power at La Colle Falls, 20 miles east of Prince Albert, so as to place 15,000 h.p. of hydro electric energy at their disposal for the benefit of present and future citizens. The sum of £200,000 is being expended on the construction of this important work, which will bring light, heat and power to each member of the community, and at a most moderate cost, from £6 to £7 per continuous h.p. per annum. Besides this, the furnishing of cheap electric power to any town is always followed by a very considerable increase in its industrial concerns, which is reflected in enhanced gain to the general revenues of the city.

Prince Albert is already well lit by the existing municipal electric system, but the La Colle Falls installation will place in the hands of the city the means of organising an electric tramway system at the minimum cost. In Prince Albert the streets are of good width, well laid out, with well-paved side-walks, but they are made of bad material, so that with the high winds, which are by no means rare here, the dust becomes quite a serious nuisance. This evil could be at once removed by the inauguration of a good municipal system of electric trams, and by relaying the remainder of the streets with asphalte, in accordance with the successful Winnipeg precedent.

But I would make another suggestion to Prince Albert. In London we have noted the development of the motor-'bus till it has attained its present smooth, efficient and noiseless action, so that it has, in a measure supplanted the municipal electric trams. Here I notice a large number of motor cars in general use, and it does not require a very astute prophet to forecast the yet further displacement of the horse for general vehicular traffic.

Prince Albert, with the conservatism to which I have alluded, has refrained from committing itself to any species of tramway—horse, steam or electric. Why not try the plain asphalted streets and the municipal motor-'bus? Why not keep the streets free from the nuisance of the rising rail and the broken road-way? The rails would be a greater evil than at Winnipeg, where the streets have been built of such an unusual width.

I am convinced that there is some merit in the suggestion, and that the citizens of Prince Albert will bless me for it if it is adopted. The successful asphalting department of Winnipeg can be followed as to method of technical operation.

This is one of the most northerly cities of the Canadian West, and many consider that it is in too high a latitude for the general cultivation of wheat. To these it may come as a surprise to learn that Mr. F. D. Cherry, of Prince Albert, won the Canadian Wheat Championship in 1910, the first prize at the Brandon Exhibition, the World's Championship at Columbus, Ohio, in 1911, and the Highest Provincial Award at Lethbridge in 1912.

On entering Prince Albert from the east by the Canadian Northern's most northerly route, one could not fail to be struck by the splendid crops both of wheat and oats standing in sheaves in the fields awaiting the coming of the threshing machines. The samples of oats of this season's growth, whether as to wealth of grain and luxuriance of straw, are equal to the magnificent growth which I saw at Clover Bar, near Edmonton, in 1910. The surrounding district is also excellent for mixed farming, the cattle thriving well, only milch cows requiring special attention and housing during

the severe winters which are a characteristic of the West.

I have just returned from Big River, about 100 miles to the north-west of Prince Albert, passing through portions of a splendid lumbering district. But it is much more than a lumbering district. Where the trees have been cleared grain is already growing, and year by year grain growing and mixed farming will be carried up to Big River, and I believe, yet further.

Prince Albert is already well served by the Canadian Northern, while the Canadian Pacific and the Grand Trunk Pacific recognise its importance by pushing forward lines to connect it with their existing systems. The Canadian Northern's branch line to North Battleford via Shellbrooke and Blaine River, to which latter place a regular service of trains already runs, will soon be completed, giving direct through connection with Edmonton and the further West.

Before coming here I heard much in Canada as to the importance of the Hudson Bay route. The Canadian Northern has built its line from Hudson Bay Junction to Le Pas. The Dominion Government will complete the line from Le Pas to Hudson Bay. The Canadian Northern will build a line north of the Carrot Valley connecting Prince Albert direct with Le Pas. The saving of time and money to the Western farmer if the Hudson Bay route to Great Britain is a success will be enormous, and in this gain Prince Albert will largely participate.

It is possible that Prince Albert may desire to become a borrower for the completion of her electric power scheme. Any money that may be needed should be lent and at a moderate rate. The security is unimpeachable.

III.—EDMONTON.

On the north bank of the Saskatchewan and commanding the approaches of the river still stands the old Hudson Bay Fort, constructed altogether of wood, from which up till the comparatively near past proceeded the edicts which controlled the vast North-West up to the shores of the Arctic. Near by stands the plain red brick building which became the Parliament House from 1906, when Edmonton became the capital of its Province, while, forming the apex of the triangle, but in a much higher position, so that it dominates the surrounding country, stands the new Capitol building recently erected for the Alberta Legislature.

These three buildings may well be taken as the symbols of the times in which they were built. The wooden fort suited the first period, when the Hudson Bay Company was the sole autocrat over the sparse communities of Indians who shot and trapped for them, bartering the spoils of the chase for simple articles which to the natives appeared to be the finest of the world's productions. So recently as 1880 the total population of Edmonton and Fort Saskatchewan numbered only 275, these figures including a proportion of half-breeds. Even in 1892, when Edmonton was incorporated as a town, it contained but a few hundred people, and it was only on the occurrence of the rush of the gold-seekers to Klondyke in 1897 that the permanent inhabitants increased to 2,500. Four years

later, when surveys were made for a water system, and when Edmonton became the owner of its power plant, the population had only increased by 600 to 3,101. But the fine municipal spirit, which even then existed in the town, was shown when in the following year $79,500 was spent on water and sewer construction, $17,000 was devoted to the purchase from private owners of the telephone system then working, and $13,000 to the acquisition of the lighting plant of the Edmonton Light and Power Company.

With the incorporation of Edmonton as a City in 1904 the first period of small things may well be considered at an end, as by this time it had a population of 7,000, and the second period, an epoch of much quicker growth, had begun. In 1906, when Edmonton became the capital of Alberta, its population was 11,597, in 1907 it increased to 17,659, in 1908 to 18,836, and in 1910 to 24,740. In 1912 the amalgamation with Strathcona, on the opposite side of the Saskatchewan, was completed, and the combined population had increased to 52,000, of which probably about 7,500 belonged to Strathcona, and this may be considered as a fitting finish to the second period of Edmonton's development.

A card census taken in May of the present year showed that the population of the Edmonton as it will in future be known was no less than 67,243, a number giving a sufficient warrant to name 1913 as the commencement of the third period, and it is this Edmonton, with a population of 67,243, and with an area of 25,000 acres, that I now propose to deal with in relation to the prudence of its past borrowings and as to the soundness of its position.

No question could have arisen as to the extent of Edmonton s indebtedness had it remained at the amount

of the debentures issued up to October 31, 1912, when the financial year ended, the sum outstanding then being $11,972,802, or, roughly, £2,400,000 sterling. But the increase in the population had been so stupendous—over 15,000 during the last year, that it was absolutely impossible to continue the development of the city in the same rate of progression as heretofore without very considerable additional borrowing, with the result that the debenture debt of the Corporation at the end of 1913 will amount to about $22,313,968, or, say, £4,400,000 sterling.

At first sight the amount seems large, but to the investor everything must depend on the manner in which the borrowed money has been spent. If he made this enquiry he would find that Edmonton was the owner of all its public utilities, that is to say, it owned, outright, its water works, its electric lighting installation, telephone installation, street railway, and its power house for generating electric power and for the pumping of the water supply.

The following table will show the relation between the debentures specially issued for these purposes and the total amount issued :—

Debenture debt, gross, December 31st, 1913, about		$22,313,968.68
Less Special Debentures	$4,349,978.42	
Electric Light Debentures	769,874.78	
Telephone	1,800,640.82	
Water	1,882,637.38	
Street Railway	3,145,339.24	
Power House	1,845,263.52	
		13,793,734.16
		8,520,234.52
Less Sinking Funds as at August 31st, 1913		320,593.26
		$8,199,641.26

From this table it will be seen that £2,800,000 is

represented by existing public services, and by the sinking fund already formed, leaving only the sum of £1,600,000 to be placed against the other realisable assets of the Corporation and the great work involved in the construction of main roads, sewers, and other public works.

It should be noted that the utilities to which the £2,800,000 debentures are debited are expected to earn not only a sum sufficient to defray working expenses, but also to pay the interest on their respective debentures, so that this interest does not become a charge on the general municipality unless the utilities fail to earn it. In other words, the municipality has now and from the 31st December next to include the charge for interest on £1,600,000 debentures, and this, at 4½ per cent., would amount to £72,000 sterling.

In Edmonton the mode of levying the municipal tax is simple in the extreme; it is the single tax system. Before its absorption of Strathcona the area of the municipality was 10,000 acres, the area of Strathcona was 5,000 acres, and additional adjacent areas to the extent of 10,000 acres were added at or about the same time, so that the total area of the Edmonton of to-day is 25,000 acres.

This is all divided into lots, each of which lots is entered up separately in the books of the City Assessor. Then a value on a front foot basis is attached to each of these lots, and a tax to the full money value of each is then levied. There is no other municipal tax. If a lot is vacant it is taxed to just the same figure as the adjoining lot, even if the latter carries a building costing £50,000.

This is not the occasion for a discussion of the merits

or demerits of the single tax. To our conventional English ideas there seems something repugnant in the idea that the taxation of a great city should be levied throughout on the basis of a foot-front measure, and my own opinion is that as time progresses some deviation from the present strict rule will have to be made.

On the other hand, there can be little doubt that a young community is wise in including the tax on site values in its armoury. In new cities it is not unusual to find individuals or companies who acquire lots and leave them unimproved till they have become valuable through the work of others, whether of the municipality or of adjacent owners. Such has been the case of the Hudson Bay Company with regard to their Edmonton property. They owned, and still possess, a very large amount of land in this city, one very large compact block in the centre of the city in particular. They would not sell any part of this block, so that would-be buyers in need of sites for their houses had to acquire them on each side of this block. This Hudson Bay property was inside the City boundary, and therefore was entered in the City books and was subject to the annual assessment. As the value of the surrounding land increased the value of the company's property also became greater, and in 1912 the City derived a revenue of $200,000 (£40,000) from the taxation of the site value of these lots.

Whether this taxation was the cause of the considerable sale in 1912 of the company's property in Edmonton, which realised from $4,000,000 to $4,500,000, I do not know, but it is difficult to refrain from the opinion that such an impost could hardly be devoid of some effect. It is expected that a similar revenue will be derived this year from the remaining property of the company, notwithstanding its much lessened area.

The following table will show with what amazing strides the revenue of Edmonton has increased :—

	Net Assessment	Total Taxes	Rates Levied	
1892	$673,694	$6,200	8	mills
1893	964,005	13,877	11⅓	,,
1894	988,950	18,982	16 1-20	,,
1895	1,131,780	18,034	12 5-6	,,
1896	914,761	14,582	14 3-10	,,
1897	768,630	15,913	15 17-20	,,
1898	1,030,858	20,696	17	,,
1899	1,188,249	21,588	15½	,,
1900	1,244,731	28,216	19½	,,
1901	1,395,912	33,389	21½	,,
1902	1,724,420	37,252	19½	,,
1903	3,208,100	54,824	16½	,,
1904	3,959,648	75,695	17	,,
1905	6,620,985	115,637	16	,,
1906	17,046,798	192,548	10½	,,
1907	21,985,700	328,442	13⅓	,,
1908	22,535,210	375,377	14½	,,
1909	25,584,990	482,506	17½	,,
1910	30,105,110	563,494	17	,,
1911	46,494,740	686,571	13 7-10	,,
1912	*123,475,070	1,530,205	12	,,
1913	187,946,720	†2,000,000	16	,,
Strathcona Assessments—				
1908 (approx.)	$6,000,000		15	,,
1909	6,500,000		20	,,
1910	7,250,000		18	,,
1911	8,250,000	132,000	16	,,

*Totals for Greater Edmonton (Edmonton & Strathcona united).
†Estimated.

It will thus be seen that in 1911 the joint revenue derived from the municipal taxation of the combined cities was $818,571 (Edmonton $686,571, Strathcona $132,000), as compared with $2,000,000, the anticipated revenue for 1913.

If the revenue of the last two years, 1912 and 1913, be taken, it is interesting to note that the incidence of taxation per head of population remains practically the same.

Thus the revenue of 1912, $1,530,205, distributed over the population of that year, equals $29.42 per head, and the revenue of 1913, $2,000,000, distributed over a population of 67,243, equals $29.74 per head. So that notwithstanding the enormous increase in revenue received for 1913 the taxation per capita is only fractionally increased.

I have mentioned that, apart from the debentures specially issued for the City's utilities, the debentures for the general municipal service amount, as on December 31 next, to about £1,600,000, the interest on which at 4½ per cent. would be £72,000, and I have shown that the municipal revenue for the corresponding period will be about £400,000; it is apparent that a more than ample margin is provided for the service of the debentures and of its sinking fund.

As to the future of Edmonton, it is difficult to express a sincere opinion without the liability of incurring the charge of undue optimism. I was here three years ago, and I was then convinced that this would become one of the great cities of the West. Its progress in the meantime has fulfilled my most sanguine expectations. It was then a great city in the making; it is now a much greater city in the making, with this difference, that in the meantime an almost incredible amount of necessary, useful and permanent work has been accomplished.

The roads in England, the streets and pavements in our towns, the slow growth of many years, are noted far and wide for their general excellence, and yet we know the vast expense which has recently been forced upon us by the exigency of modern traffic. But in Edmonton, till the municipality took the work in hand, there was nothing but the stiff black loam of the prairies, which, with moisture and pressure, became so slippery that it

was almost impossible for a horse to keep its footing : I speak from the personal experience of three years ago.

All this is now changed, or is being changed with great rapidity, so that the immense amount of heavy haulage and of general vehicular traffic goes on under the most favourable conditions. The following figures demonstrate the splendid work of the municipality in this respect and the rapid increase in the rate of construction during recent years :—

	1910. miles.	1911. miles.	1912. miles.
Paved streets	4.95	6.27	20.5
Plank walks	65.4	76.17	90.
Granolithic walks	7.	8.12	24.38
Boulevarding	8.35	12.27	19.35
Water mains	55.	60.7	94.2

During my stay here I have taken the opportunity of visiting the various suburbs, and in every direction I find that great and splendid work is being done. New sewers are being laid, roads graded and asphalted, electric-car roads solidified, and granolithic pavements are being laid ; in fact, all the conditions for facilitating locomotion are being brought up to the highest standard of the day. In the heart of the city a very large number of new buildings have been erected since my last visit, and others are in construction, amongst them being the Grand Trunk Pacific Hotel—a fine building, now nearing a finish—which will cost £300,000, a notable example of the confidence placed in the future of Edmonton by those most competent to form an opinion. The Canadian Pacific Railway displayed its confidence by the disbursement of over $1,000,000 of its own funds in building the high level bridge by which it now crosses the Saskatchewan at Edmonton.

What is the basis of this general confidence, a confidence which is ever the strongest with those who

know Edmonton the best? To my mind it is due to the fact that this city is exceptionally well placed as to the vast area of fine country from which it draws its trade, an area which is continuously increasing with the construction of new railways and with the development of the country. The finest wheat in the world can be grown in Edmonton and to the north, south, east and west of it. But this vast area is also remarkable in that it is one of the finest mixed farming districts of the world. Oats, hay, and roots, cattle and dairy produce will attain perfection, not only in the country at present served by Edmonton, but hundreds of miles to the north and west of it. The dairy interest is making great strides all through this part of Alberta, and when I stayed over at Vermilion the other day I found that the creamery there had made 7,000 lb. of butter during that week, and had distributed $1,750 (£350) amongst the farmers for their share of this product. This was independent of the numerous cans of cream which I saw standing at the station en route for Edmonton.

The quality of the grass in the Edmonton district is equal to that grown in the most famous grazing districts of the United States, and I am informed, from many quarters, that it is not necessary to house cattle in Alberta, even much further north than Edmonton. They are turned out, access being given to the straw left after threshing, and they live on that through the winter. In the spring they fatten quickly on the nutritious spring grasses which are found from here to the Peace River.

With the development of mixed farming, allied industries are consolidating themselves here, a process which is greatly facilitated by the immense deposits

of coal, easily and cheaply mined, which are to be found over a district extending from Edmonton to the Rockies.

There is, indeed, much more to be said of Edmonton, of the secure position which it has already attained as one of the great cities of the West, and of the yet much greater future which just as surely lies before it, but I fear that this letter is already too long. When I first saw Edmonton I liked it; on a second visit it yet more strongly commends itself to me.

Its beautiful situation, its pleasant homes, its asphalted streets and pavements, its fine and convenient electric street railway reaching the distant suburbs, good sewers, its picturesque and extensive public parks, the tasteful residences of its citizens, the charming views of the surrounding country, the freedom from dust, and its unique educational advantages all conspire to make it a most desirable place to live in.

Besides this, nowhere will be found men more energetic and intelligent, or men more earnest and strenuous in working for the prosperity of a city of which they are so justly proud. There can be no manner of doubt of the ability of Edmonton to meet any liability which its municipal authorities will allow it to incur. If it continues to extend and consolidate its public works as they ought to be extended and consolidated, a very considerable sum will be needed and I do not think that the capital of Great Britain will be withheld when such good security is at hand.

IV.—CALGARY.

In making an inquiry as to whether certain of the cities of Western Canada have been extravagant in the issue of their securities, I take it, when an examination is being made as to the financial position of one of these cities, that the essential element is the ascertainment of the measure of its vitality. I know of no better gauge as to the vitality of a youthful city than its capacity to multiply its inhabitants. In this Western country, if a town is stationary it may almost be said to be in its decline, and lenders should be very chary of such a client. But if we find a city able to attract and to absorb quickly an ever-increasing and energetic business population, then we know, not only that it will want a good deal of money to fit itself with the appliances of modern civilisation, but also that it will be safe and profitable, under the conditions usually prevailing here, to let it have it. How does Calgary, which I am now re-visiting after an absence of three years, emerge from such a test ?

Like all the flourishing Western cities, the early history of Calgary is intimately associated with the virile conduct of the Hudson's Bay Company, and, in fact, so recently as 1881, the year in which the Canadian Pacific Railway was commenced, the town consisted of the store of that company, another belonging to J. G. Baker, the barracks of the Mounted Police, and the house of its commanding officer. In 1883 the first train from Winnipeg reached Calgary, and in the following year,

when the "Town of Calgary" was incorporated, it had a population of 500. In 1886 the first C.P.R. train from Montreal to the Pacific Coast passed through Calgary; in 1891 the Calgary and Edmonton branch of the C.P.R. started operation, and in 1893 the Macleod branch of the same company began running. In 1894 the "City of Calgary" was incorporated, and by 1901 the number of its inhabitants had grown to 6,557. Three years later, in 1904, the population had increased to 10,543, and the following table will show the extraordinary advance which has since taken place:—

1905	12,500
1906	17,000
1907	21,040
1908	25,000
1909	35,000
1910	50,000
1911	55,000
1912	70,000
1913 (estimated)	85,000

The growth from 25,000 in 1908 to 70,000 in 1912, and to an estimated 85,000 in 1913, is one of the most phenomenal in the history of the Canadian West, even if it does not constitute an actual record.

With a population that has thus more than trebled itself since 1908, it is evident that the Municipality of Calgary has had an arduous and anxious time in providing its new citizens with up-to-date water works, lighting, power, facility of transport, and sanitation, and yet keep its finances in a sound and manageable condition. It is satisfactory to know that it has been successful in its endeavours, and that Calgary is rapidly fulfilling its destiny as one of the greatest cities of the West.

Through the courtesy of the Commissioner of Public

Utilities (Mr. A. G. Graves), of the City Comptroller (Mr. W. C. Wood), and other City officials, I have been able to get statistics of the finances of Calgary as they will stand on the 31st December next. So quick is the advance of Calgary that the statistics up to December, 1912, have now become practically obsolete.

The total debt of the city at that date, inclusive of debentures and all other liabilities of every kind, will amount to $20,633,605, or, roughly, £4,126,721 stg., while the actual assets, at the same rate of $5 to the £ stg., will be £4,245,595, thus showing a surplus of no less than £118,874.

The total amount of annual interest for 1913 will be $727,280, or £145,456 stg.

In order that the investor may get a clearer view of the position than could be obtained through these bald figures, a brief account may be given here of the public works and utilities owned by the municipality.

Calgary is fortunate, indeed, in being the sole owner of its water works, its electric lighting, electric power, and street railway systems, which are responsible for a very large proportion of the public debt, and all of which are now worth much more than they cost.

The money obtained and spent on their initiation and development is included in the debentures of the city, as given above, although the interest on these debentures is charged separately to the Water Works, to the Lighting Department, to the Power Department, and to the Street Railways, and has to be treated as a debit in the profit and loss account which each of these departments has to keep, just as if it were a separate commercial business undertaking.

The consequence is that, although the city pays

£145,456 stg. in interest on the debentures, it receives back from its public utilities £50,740 stg. during the year, and also the sum of about £45,000 during the same period from individual citizens for whose benefit local improvements have been made, so that the interest on the general indebtedness of the city for the year 1913, including the above items, will be, probably, a little over £50,000 stg.

The manner in which the assessment for the municipal taxation is made in Calgary is very similar to that which

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The following table shows the value of Calgary's assessment for each year from 1885 up to 1913, with the rate of tax levied and the revenue derived from this taxation :—

	Assessment Amount dols.	Tax Rate Mills	Revenue from General Tax. dols.
1885	$386,863	10	$3,868
1891	1,911,735	18	34,411
1892	2,745,204	13	35,687
1893	2,488,690	15	37,330
1894	2,782,487	12	33,389
1895	2,076,530	16	33,224
1897	1,994,300	20	39,886
1898	1,967,760	20	38,755
1899	2,018,140	18	36,326
1900	2,165,520	19	41,144
1901	2,307,040	20	46,140
1902	2,383,325	21	50,049
1903	3,221,549	20	64,430
1904	4,099,437	22	64,430
1905	5,433,469	22	119,536
1906	7,771,921	22	170,982
1907	12,832,496	18	231,084
1908	17,941,698	18	323,050
1909	19,824,978	21½	426,237
1910	30,796,092	15	461,941
1911	52,747,600	14½	764,840
1912	112,554,400	12½	1,406,930
1913	133,023,000	18¾	*2,509,638

*Estimated.

obtains in Winnipeg. The total area of Calgary at present is some 25,920 acres, all of which, with the exception of 3,000 acres, is sub-divided into building lots, which are numbered, entered into the assessment books, and are assessed at their full money value. Under the heading of Improvement Tax any buildings erected on these lots are taxed on an assessment of one-fourth of their value only. There is also a so-called Personal Tax, which is mainly a business tax, as under it the stock-in-trade of merchants and traders is taxed on two-thirds of its estimated value.

To arrive at the full revenue of the Calgary municipality I would add that there is also another tax called "Local Improvements Tax." As I have already explained in my remarks on the "Special Assessment" of Winnipeg, which this tax resembles, when new streets and pavements are made and sewers laid, the cost is assessed on the abutting property, and is on the basis of their foot frontage to these streets. To prevent hardship to the owners, the city undertakes all these improvements and assesses a proportion of the cost each year over a given number of years. This is not levied on the general taxpayers of the city, but only on those immediately interested in these local improvements. In Calgary this additional assessment is not included in the foregoing table. In 1913 it amounts to $387,501, and this, added to the sum stated in the table for 1913 $2,509,638, gives a total net revenue to Calgary for the present year of $2,897,139, or, roughly, £580,000 sterling.

The rate of taxation, $18\frac{3}{4}$ mills, is equal to one and seven-eighths of a cent to the dollar, which is about the equivalent to a rate of 5d. in the pound sterling. I have neither the time nor the ability to say how this

compares with the local rates at home, which are levied on a rental value, and I should say that an exact comparison would be impossible without many more statistics than those in my possession. But some sort of conclusion may be arrived at. If we take the rental value as one-tenth of the assessed value, then this 5 l. in the £ on the latter would be equal to 4s. 2d. in the £ on the rental value. If site values here were free from taxation, as they are in England, then the rate of taxation here on house and shop property would be more than double that amount.

I have shown that the total amount of the liabilities of Calgary on the 31st December next will be about $20,633,605, the general incidence of which is shown by the following figures :—

General Municipal Debt	$5,500,000
Local Improvements	6,176,926
Revenue Earning Utilities	8,956,679
	$20,633,605

While the total debt, as above estimated, on December 31st will no doubt be about correct, there may be some discrepancy in this apportionment as between the General Municipal Debt and that of Revenue Earning Utilities, but the difference cannot be much, and for all practical purposes we may say that, of the £4,000,000 stg. total liability of Calgary, £1,100,000 stg. is the General Debt, the assets of which consist of the general property of the municipality, £1,200,000 stg. is the liability of citizens to the municipality for improvements made by it on their behalf, and £1,800,000 stg. is the cost, less depreciation of the revenue-earning utilities—Water Works, Electric Lighting, Electric Power, and Street Railways. Both the Local Improvements and Public Utilities are

well able to pay the municipality the interest on their proportion of the debentures as it falls due. Eliminating these two items, it leaves a general debt of £1,100,000 stg., the interest on which, £50,000 stg., has to be paid out of the ordinary city revenue.

Now it will be seen from the table of yearly assessments that the revenue from the General Tax alone for 1913 will be $2,509,638 (or £500,000 stg.), on which the £50,000 annual interest would be the first charge.

This being the sound and satisfactory financial position at the end of the present year, as far as I have been able to ascertain it, I should like to say something as to the causes which have conspired to raise Calgary from its position as a Hudson Bay station, with two stores, in 1881 to a city of 85,000 people in 1913. The chief cause is, of course, its position as a prominent centre of the agricultural interest of the great West. From the beginning its railway facilities were comparatively great, and these have been continuously enhanced, so that at the present time it has excellent communications with the producing districts to the north, south, east and west. So far the Canadian Pacific Railway has been the system which has helped so much to build up Calgary, but now the Grand Trunk Pacific has just run its first trains into Calgary, and the first trains of the Canadian Northern Railway will run through in the middle of November next.

Nearly everyone knows of Calgary as formerly a great ranching district and of the city as a centre for handling wheat, but I imagine that few people are aware of its advantageous position as the centre of a great mixed farming district. Till recently Western Canada specialised on wheat production ; it gave the quickest return both to labour and capital. But it is now realised that

the abiding future of this portion of the West is largely in the hands of the general farmer, who may grow wheat, but who will grow the oats and hay which give such fine returns here, and will devote his attention to dairy farming, to the raising of cattle, horses, sheep and pigs, all of which thrive excellently and find a ready and remunerative market.

With regard to climate, Calgary has a shorter and milder winter than the other Western cities, owing to the penetration of the warmer winds from the Pacific Coast. Hence, there is so little snow that sleighs are not used in the city in winter; the street railway runs throughout the year without interruption.

Calgary is healthily and beautifully situated near the western extremity of the prairie country, as Winnipeg is situated at the eastern edge, and lies at a short distance from the foot-hills of the Canadian Rockies, the picturesque outlines of which are easily discernible from it. This proximity to the Rockies and to British Columbia generally cannot fail to prove of increasing importance to it in view of the magnitude of the mining operations which are already in existence. From a quite authoritative source I am informed of a fact which is at present known to but few people: that iron in practically inexhaustible quantities has been found in the mountains near here, giving an analysis of 67 per cent. iron as against the 45 per cent. contained by the average Pittsburg ores. The chief auxiliaries to smelting, coal and limestone, are found at the doors of Calgary in equally abundant supply. This may be an item more pertinent to the future than to the actual present, but Calgary already profits largely by the mining which is carried on to the west.

A valuable increment to the wealth which has

accrued to Calgary from the development of Western agriculture is that which has been derived from the trade which its enterprising merchants and manufacturers have built up, not only with its own province of Alberta, but also with Saskatchewan on the one side and Central and Eastern British Columbia on the other.

As an industrial centre Calgary has many advantages. To its manufacturers the municipality is able to supply electric power at $26, equal to £5 5s., per h.p. per annum. Natural gas is brought some 170 miles, and yet can be supplied at 15 cents, equal to 7½d., per 1,000 feet. It is the only city which can supply both sources of power, and manufacturers are debating which is the cheapest at these rates.

Then the very friendly attitude of the Canadian Pacific Railway towards Calgary has been no mean factor in its advancement, and though Calgary will no longer be a close preserve of the C.P.R., owing to the recent intrusion of the Grand Trunk Pacific and of the Canadian Northern, there seems no reason to anticipate any abatement of the amicable understanding heretofore existing. In 1898 the C.P.R. located their repair shops here, when the city gave them a bonus of $25,000. Quite recently these shops, at Ogden, four miles out, were extended at a cost of $1,500,000, and these will, no doubt, be further extended. The area covered by the buildings and shop yards is over 400 acres; 1,200 men are employed, with a pay-roll of $150,000 a month.

These are some of the factors which have permitted the quick development of Calgary, and if we now endeavour to forecast the future, it appears that they will then possess a yet more powerful influence. For if we regard agriculture, I am told that only 4 per cent. of the cultivable land of Southern Alberta is as yet cultivated.

The recent change in the policy of the C.P.R. Co. with respect to the sale of lands will not be without its effect. Heretofore the lands of the company were for sale at a given price, without question being raised as to the purpose or position of the buyer, so long as he paid the price asked. Now the company will only sell to the man who is going to settle on them. To the farmer very liberal terms will be accorded in that the payment of the purchase price will be extended over 20 years. The buyer will pay 5 per cent. down and 5 per cent. year by year, with interest at the rate of 6 per cent. per annum. Besides this, to those farmers who have capital enough to work the farms purchased, the C.P.R. will advance up to $2,000, to be used in making improvements to the land, for buildings, fencing, &c. The company has large estates near Calgary, and this encouragement to settlers cannot fail to re-act for the benefit of the city.

That there will be a very great increase in the output of Calgary's manufacturing industries is daily becoming more evident. A contract has just been issued for a flour mill with a capacity of 6,000 barrels a day. It is significant that when a new flour mill was recently erected at Medicine Hat the first order for its product was from the Far East. Then, again, should the tariff be removed from imports of flour and wheat from Canada into the United States, Calgary is only 640 miles from the Pacific Coast, as against 1,700 miles rail-haul from the mills of Minneapolis to San Francisco.

Important as has been the result of the good railway service which Calgary has enjoyed in the past, the effect of the advent of the Grand Trunk Pacific and of the Canadian Northern cannot be ignored in any forecast of the future. Both these companies have secured large areas of eligible land in Calgary for the erection of their

respective stations. This will give a separate station to each of the three trans-continental lines of Canada. That of the C.P.R., including the adjoining building for its "Department of Natural Resources," is one of the finest in its whole system. As to the Grand Trunk Pacific, no one who is conversant with the excellence of its roadway and rolling-stock, its fine stations, or its palatial hotels, will doubt that its station here will be worthy of its traditions and in keeping with the standing of this city. Sir William Mackenzie, President of the Canadian Northern, who was in Calgary at the time of my visit, stated that the station of the Canadian Northern will cost some $300,000 and the other buildings $200,000, adding that it would be one of the finest stations in the West of Canada.

To permit Calgary to fulfil its destiny to become one of the leading stock markets of the West, it is proposed to erect cattle markets, at a cost of $350,000, on a site of 50 acres near the city, which will be fitted with abattoirs, refrigerators, and packing plant, after the Chicago fashion. I am informed that the three railway companies will co-operate heartily to make a success of the undertaking, running their lines into the city market terminals.

What stronger testimony could be produced as to the future of Calgary? It is not for merely a city of 80,000 inhabitants that such huge expenditure has been, and is being, incurred by the great railway companies. On its colossal hotel, now nearing completion, the Canadian Pacific is spending the sum of $1,500,000, while the Hudson's Bay Company has just opened its equally fine and vast retail store, costing at least as much. Undoubtedly what all these corporations have in view is the time not far distant when Calgary will have

much more than doubled her present population. Their actions show that the municipal authorities of Calgary are right in their belief that the city will grow, and grow quickly, and that they are not exceeding the limits of prudence in making their plans for a population of double that which now exists. The money spent on improvements is a sound municipal investment, as the advantages thus secured attract and bind to the city those having the means to further swell its revenue.

When, in 1909 the Street Railway was initiated, twelve street cars were ordered, which were in operation in September on 16 miles of track. The enterprise proved so successful as regards its service and its revenue that it has been continuously increased, so that the number of cars now in service is 95, which are running over 59 miles of road.

Instead of using the water of the Bow River, which is chalky, and therefore hard, the City obtains a bountiful supply from the Elbow River, west of Calgary, which is pure and soft, this being suitable both for domestic and manufacturing purposes. There are 13 miles of main pipes of gravity service and 154 miles served by the city high service. A further large amount of the city's borrowings has been wisely spent on its streets, wood blocks or asphalte, 45 miles, and on its granolithic pavements—side-walks—extending to a length of 115 miles. Of sewers 156 miles have been constructed. The area of the public parks is 577 acres. There is an efficient police service ; the constables of all the Western cities, in their helmets and blue tunic uniforms, with their fine courtesy and carriage, seem to have graduated from our City Police force. It is quite home-like to see them regulating the traffic.

These are the services which combine to make Calgary

a healthy and pleasant city to live in, and which have led up to the erection of the attractive residences which are fast filling up the favoured Mount Royal district on the one hand, and to the building of comfortable houses for artisans at Sunnyside on the other.

There are some other points which might be mentioned as beneficially affecting the future of Calgary, the opening of the Panama Canal being the most important. But this letter is already so much fuller than I intended it to be that I refrain from going into the details of this weighty matter, especially as I think I have already said enough to show that the past history of Calgary, taken in connection with her present environment, gives ample warrant for a firm belief in her continued progress, as well as in her ability to meet her engagements. It is evident that if she continues to progress in the same marvellous manner her borrowings will be of large amount, even if they are less in proportion to her population.

V.—VICTORIA

In the capital of Vancouver Island one has quite a different financial problem and a much less complex one to deal with than was the case with the more recently created cities of Manitoba, Saskatchewan and Alberta. Unlike those, Victoria has no municipal power supply, and therefore has had to make no large borrowings for its development in the way of municipal street railways or of electric power generally, which have cost so much to the municipalities on the other side of the Rockies, but remain such valuable assets. Even for its installation of public lighting Victoria has to purchase the power from the British Columbia Electric Lighting Co.

The consequence is that the liabilities of Victoria are so moderate in comparison with the importance of the city and with the wealth and number of its population, that he would be indeed a bold individual who would question its capacity to meet every engagement which its experienced administrators would deem it advisable to enter into.

On the 31st December last the liabilities of the city, of every kind, including debentures amounting to $10,441,056, were $16,385,486, or say, roughly, £3,280,000 stg.

But Victoria then had, on the other hand, liquid

assets of the value of £600,000 stg., including unsold debentures amounting to £520,000. In addition, the municipality had provided a sinking fund at that date for the redemption of outstanding debentures of £255,000. If we deduct the total of these two items £775,000 (practically cash assets), from the gross amount of liabilities, these are reduced to the quite reasonable figure of £2,425,000.

The assets of the Corporation at that date considerably exceeded its liabilities. In the construction of its streets, bridges and side-walks £340,000 has been expended. Local improvements, for which individual citizens are responsible to the Corporation, for both principal and interest, are responsible for £1,200,000. Public works construction, mainly for the Sooke Lake waterworks, now under construction, and for sewers, cost £340,000, and land expropriations for street widening and extension, £340,000. The real estate of the city, buildings and land, standing at £600,000, include city hall, city market, city library, city electric lighting station, city pumping station, 14 public schools, 7 fire stations, and 3 parks, one of which, Cedar Hill, has an area of 350 acres.

Besides this it has "Other Property" of the value of £480,000, in which sum the existing city water-works —construction account—is responsible for £380,000. The remaining asset, £15,000, consists of land secured at or near Sooke Lake (from which source the future and enlarged water supply will be obtained). The actual surplus of the Corporation on December 31st last, as shown in its annual balance sheet was $3,107,885, or £621,000, reckoning the exchange at $5 to the £1 stg.

But in view of the growth of Victoria, actual and potential, the Corporation contracted with a local com-

pany to do the necessary construction work for bringing the supply up to 16,000,000 gallons of water daily from Sooke Lake, for the price of $1,169,170. In April of this year this company abandoned the contract, leaving only 38½ per cent. of the work done, instead of 65 per cent. as expected, and the Corporation has now taken the job over and is finishing it by daywork. It is expected that a further $1,500,000 will finish the works, which, when complete, will have the capacity of delivering 54,000,000 gallons per 24 hours. Arrangements have been made with the Bank of British North America so that Victoria may issue 4½ per cent. debenture stock to the extent of £308,219, probably on the London market. The wisdom of the Corporation in its endeavour to carry the works to a prompt conclusion cannot be impugned.

Notwithstanding the advantages of its position and the salubrity of its climate, Victoria was for long one of the most unprogressive cities of the West. Going back to an early stage in its civic history, we find that in 1874 its land was then valued at $1,669,635, and that the improvements on it, buildings, &c., amounted to $772,040, or a total value of $2,433,755. Nine years later, in 1883, the value of the land was the same, but the improvements had increased by $400,000. In 1889 commenced a great improvement in values: land $6,256,783, improvements $2,692,800; and that period of activity in real estate culminated in 1892 with land $15,727,170 and improvements $3,021,955.

The depression which then ensued, and which was of very long continuance, reduced the market value of the land by 1896 to $10,901,340, at which it remained for a whole decade, till 1906, although the value of the improvements had increased to $7,877,290.

The following table shows the Corporation figures since that date :—

	Value of Land.	Improvements, (Value of Buildings.)	Total.
1907	$13,718,250	$8,226,830	$21,945,080
1908	15,386,360	9,264,490	24,650,850
1909	17,961,060	10,365,060	28,326,120
1910	26,288,892	11,602,130	37,890,000
1911	46,516,205	13,491,780	60,007,985
1912	71,670,770	17,071,360	88,742,130
1913	89,130,150	23,152,540	112,282,690

As may be judged from the figures of the latter years, the recent boom in real estate in the West has not left Victoria unaffected, and it will probably take some little time for the community to recover from its collapse.

The population in 1901 was 20,000, in 1911 31,850, and it is now estimated at 50,000.

The rate of taxation, including school rate, is 17.74 mills, equal to 1¾ cents to the dollar. This tax is, of course, levied on the full value of the property ; not on the rental value as in England. Although Victoria has the right to tax buildings, these have been exempted from taxation during the past three years, so that the revenue is derived from land alone.

Victoria was always a well-kept city and a pleasant place to live in. Of late years the Corporation has been indefatigable in its sewer and road construction, so that at the end of 1912 it possessed 97 miles of sewers, while there were 50 miles of streets asphalted, &c., and 12 miles macadamized. The length of concrete side-walk was 120 miles, and of the water mains within the city, not including Victoria West, over 123 miles.

There are various factors which cannot fail to promote the development of Victoria, one being the opening of the Panama Canal and the other the large amount of

railway construction now in progress, both in Vancouver Island and on the mainland.

Victoria is a very considerable port, notwithstanding the fact that its inner harbour is not suited for the big steamers of the present day. The outer harbour is already visited by many of the large Pacific steamers, and the Dominion Government is now constructing there a breakwater and piers, which will give some 10,000ft. of berthing for the largest ocean-going vessels, the preliminary outlay being £2,300,000. This outer harbour will have direct connection with the terminals of the various railways now making use of the 112 acres set aside for this purpose in the former Songhees Reserve. The construction of a Government dry dock at the adjacent Esquimalt Harbour, at an eventual cost of about £4,000,000, cannot fail to prove advantageous to Victoria.

The contention of Victoria of her suitability for a Pacific port of the first magnitude received considerable support from the statement of Mr. Louis Coste, the Dominion Government expert appointed to examine into the question, who reported that Victoria offered greater advantages for the construction of such a harbour than the other Pacific ports of the Dominion. Mr. Coste says: "The geographical position of Victoria at the south-east of the island of Vancouver, almost at the point of junction between the Strait of Georgia and the Strait of Juan de Fuca, gives it a commanding advantage over any other port in the Province in the matter of trade and commerce with the ports of the United States on the Pacific coast, and the fact that it is the nearest Canadian port to the Panama Canal is bound to very materially increase its tonnage when this great canal is completed."

As regards railway extensions, the Esquimalt and Nanaimo Railway, which is part of the Canadian Pacific Railway system, and which has for some years done great service in connecting the East coast with Victoria, has now been completed to Port Alberni, opening up that harbour to the shipping of the west coast and providing a ready outlet for the timber of that district ; construction work is in active progress due north from McBride's Junction, giving direct access to the fertile Comox Valley, while branches have already been constructed to Osborn Valley and Cowichan Lake.

The Canadian Northern Pacific Railway, the continuation from the Yellowhead Pass of the Canadian Northern Railway, is rapidly pushing forward its important line in Vancouver Island. This will be connected with the mouth of the Fraser River on the mainland by car-ferry service to Patricia Bay, Saanich Inlet, a distance of 36 miles. From Patricia Bay the railway will run 15 miles to the junction and then two miles further to the station at the Songhees Reserve, Victoria. Going west from the junction the line will run to the south end of Cowichan Lake, 75 miles ; to Franklin Creek on the Alberni Canal, 132 miles ; to Port Alberni, 142 miles ; to Comox, 188 miles ; Campbell River Junction, 188 miles ; and to Duncan Bay, just south of the Seymour Narrows, 228 miles. The western branch will cross the island to Nootka Sound, touching the northern part of Strathcona Park, which is the National Park of Vancouver Island, and it will follow the Sound for a further 22 miles. From the Upper Campbell Lake a branch line to Battles Lake, also in the Strathcona Park, is projected. Probably the line from Nootka Sound will be extended to Port Rupert in the extreme north-east of the island.

The question of the construction of direct rail com-

munication with the mainland is a living one as regards Vancouver Island. Sir Sanford Fleming stated, 25 years ago, that the bridging of the intervals between the various members of the Valdes Islands, which almost block the waterway between Bute Inlet on the mainland and Vancouver Island, was quite feasible; it was only a question of money. It is said that three or four bridges would be required, and that the longest would not exceed $\frac{3}{4}$-mile in length. If the bridges were made there would be no difficulty in constructing a line by the side of Bute Inlet into the interior of British Columbia, and thus making through connection with one of the Transcontinental lines.

The contention of Victoria is that if the Seymour Narrows were bridged the grain from the Western provinces for shipment to Europe would come largely to it, and that the cars would return laden with its wood products. Of course, Victoria has the finest climate on the British Columbia coast, its harbour is easy of access, and it is comparatively free from fog.

But whether the bridging of the Seymour Narrows is a matter of the near or distant future, it is evident that the great railway development which I have described will greatly facilitate local transport. Then the opening of the Panama Canal, shortening the sea service to Great Britain and Europe generally by 6,000 miles, cannot fail to greatly benefit Victoria by increasing the exports of timber and fish in that direction, even if the very sanguine anticipations of its people are not fully realised. The agricultural capacity of the island is considerable, but its development is retarded by the heavy growth of timber, which is itself a source of wealth, but which, with good management and more local enterprise, might be made vastly greater.

In conclusion, it may not be amiss to draw attention to the fact that Victoria and Vancouver Island possess many attractions to the tourist, whether from Canada or the United States. The roads of the island are very well made, and add much to the pleasure of motoring to places where fishing, shooting or mountain climbing is the attraction. It is well known that many of those who have made money at wheat farming in the Prairie Provinces settle in Victoria when they retire. In other words, the climatic and social conditions of Victoria are so pleasant that a continuous moderate increase to its population of well-to-do people seems assured, whatever the future may have in store for it as a great manufacturing and shipping centre.

VI.—VANCOUVER.

The coast of the North-West Pacific is not without its recorded history. So long ago as 1579 that gallant seaman, Sir Francis Drake, anchored in the bay that still bears his name on the coast of California, and on behalf of his sovereign took possession of that country which he called New Albion. Spain did not lag far behind, for Vizcaino in 1602 charted the coast from Cape San Lucas to the 43rd parallel. In 1774, nearly 200 years after Drake's landing, Juan Perez, a noted explorer, sighted land in 54deg. north latitude, the extreme north of Queen Charlotte Islands. In March, 1778, Captain Cooke sighted and named Cape Flattery, and it was not till 1788 that the first ships bearing the United States flag came upon the scene. The discovery of Burrard Inlet, the waters of which provide one of the largest and finest harbours of the world, was made by Captain Vancouver on June 23rd, 1792. Nearly a century after the discovery of Burrard Inlet, when the surveyors of the Canadian Pacific Railway emerged from the east, they found upon its banks a standing forest and a few wooden shacks called Gas Town, subsequently changed to Granville. But, in his desire to do honour to the great discoverer, whose splendid charting of the Pacific Coast is still the seaman's guide, the town was named Vancouver by Sir Wm. Van Horne, the then President of the Canadian Pacific Railway, and it was incorporated as a city in February, 1886. A good deal of energetic clearing of the forest had been done, and the

little "City" had begun to grow apace, when, on the morning of June 13th, it was almost completely swept away by fire, nothing remaining but the Hastings Mill and Store, the Mount Regina Hotel, and Mr. R. H. Alexander's residence, with a few cottages in False Creek. The population (June, 1886) was about 2,000; the people went to work with indefatigable energy, so that by New Year's day of 1887 buildings to the number of 350 had been put up, some stone, some brick, but mostly wood—an excellent result for their six months' labour in the wilderness. It is amusing to note that one of the first purchases of the young municipality was a fully-equipped fire engine.

With the regular train service of the C.P.R. through to Vancouver, the population of Vancouver rose in 1887 to 5,000; in 1888 to 8,500; in 1889 to 10,500; in 1890 to 12,000, and in 1891, the year of the Dominion Government census, to 13,685. Progressing steadily, if not quickly, the population doubled itself in the ensuing ten years, so that in 1901, when the next Government census was taken, it was 26,133. During the next five years the growth was much more rapid, the doubling taking place in five years, instead of ten years, for in 1906 the population was 52,000, while in the following five years the progression was still more rapid, the return for 1911 giving a population of 111,240. At the end of 1912 the population was 122,100, who are responsible for the borrowings which Vancouver had made up to that date.

These borrowings have been neither few nor inconsiderable, as at that time the total liabilities of the city amounted to $28,360,830, or, roughly, £5,700,000 stg. But during its life of 26 years the city has always been animated by a constructive spirit, which has displayed a keener vitality during its recent years of great progress,

so that in its balance-sheet it is able to show assets valued at $34,993,710, or close upon £7,000,000, giving a surplus valued at about £1,300,000 stg.

The assets show land of a value of $6,464,100, and of buildings thereon, for the various civic purposes, including a very liberal proportion for schools, $2,911,300. The waterworks, owned by the city, have cost $4,195,207. The fire department is responsible for $306,605 ; police department $89,470 ; sewerage service $3,036,882 ; streets and pavements $9,097,429 ; and bridges, wharves, etc., $1,628,390. There are various other useful assets amounting to $583,505.

The streets of Vancouver are well made and are well lighted. Up to December 31st last 50 miles of streets had been asphalted or otherwise permanently treated, while an additional 140 miles had been macadamised. There were 191 miles of cement concrete sidewalks. The water-mains have a length of 259 miles and the sewers of 153 miles. It will thus be seen that Vancouver is keeping in the forefront of modern civilisation as regards good roads for facilitating transport, and as regards sanitation by a liberal water supply and scientific sewerage.

Respecting the method of the municipal taxation in Vancouver, the city has the right of levying taxes on the buildings, and it exercised that right as to 50 per cent. of the valuation from 1895 to 1905 ; then the rate was reduced to a tax on 25 per cent. of the value of the buildings from 1906 to 1909. But since then there has been no tax on the buildings, but only on the full amount of the site value, this tax being at the rate of 20 mills, eq. 2 cents to the dollar, or say 5d. to the £1 stg. If the tax were levied on the rental value, as in England, and of the rental value were taken as one-tenth of the pro-

perty value, then the tax would be equal to 4s. 2d. in the £1. This comparison with English taxation is, of course, manifestly incomplete, as the bare site would not have the same rental value as it would if it were covered with a good building, besides which the bare site would not be taxed in England at all.

It will be noticed that Vancouver does not own its supply of electric power or its street railways. These franchises were granted early in the city's history to the British Columbia Electric Railway Co., but as this company obtained similar franchises from the cities of New Westminster, Steveston, Victoria, and some of the surrounding districts, it is difficult to say just what proportion of that company's very remarkable development has been due to its connection with Vancouver. The total amount of the issued capital of the B.C. Electric is £4,320,000, divided equally into deferred ordinary, 5 per cent. non-cumulative preference, and 5 per cent. cumulative perpetual preference stock. Its issued bonded debt consists of 4½ per cent. 1st mortgage debentures £223,600; 4½ per cent. (Vancouver Power) debentures, £104,100; 4¼ per cent. consolidated debenture stock, £2,037,155; and 4½ per cent. (Vancouver Power) perpetual debenture stock, £800,000, making £3,164,855, or, with the capital stock, a grand total of £7,484,855 stg., a sum which it will be seen is largely in excess of the whole liabilities of the City of Vancouver. But the assets of the company are of enormous value, as, in addition to 285 miles of fully-equipped electric railway, it possesses a splendid hydro-electric installation at Lake Buntzen, which is expected to produce at the present time some 80,000 horse-power, the ultimate capacity of the company's power plants being about 200,000 horse-power. It will be observed that if Vancouver had owned its share of the undertaking its liabilities would have been much in-

creased. The B.C. Electric has been a most efficient factor in the development of this portion of British Columbia, and although the deferred ordinary stock has received dividends of 8 per cent., for the last four years only, the rate of interest payable on the other securities is so much less that it is doubtful if the dividends taken together have averaged 6 per cent., which is quite a moderate return on an industrial undertaking in this country, where the ordinary rate of interest is 8 per cent., and where good mortgages are now paying 10 per cent. At the moment the B.C. Electric Company has for some reason made an alteration in the incidence of its charges, by which some of its customers have to pay a higher fee, and this has caused a good deal of resentment. It is probable that the good common sense and tact which has made the company so great a success will ensure a prompt adjustment of the present difficulty. Although the city does not own the street railway service, it is not without a direct interest in the prosperity of the undertaking, as it receives each year a percentage of the gross annual street car receipts within the limits of the city, running from 1 per cent. on $75,000 to 8 per cent. on $1,500,000. In the year 1900 the city received $874 from this percentage, but the volume of the business of the company in Vancouver alone had so increased that in 1912 it had to pay to the city $84,167.

From the foregoing it will be gathered that there can be no question as to the ability of Vancouver to pay off not only the existing debt, capital as well as interest, at maturity, but also such reasonable borrowings as it may be expedient for it to make in the future. But there is one cardinal fact which should not be overlooked in dealing with the commitments of the City of Vancouver

as it now exists, and that is that it is so closely hemmed in either by its water-front or by younger municipalities, that it has not the same opportunity of enlarging its borders as is possessed by the majority of the Western cities, and, consequently, that its future borrowings should be on a smaller scale than when it was working well inside its boundaries. The area of the city was

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The following table gives much useful information to

Year	Valuation at beginning of Year — Real Property $	Improvements $	Total Assessable Property $	Rate of Taxation on $ nett Mills
1886	...	...	...	...
1887	$2,456,842	$182,235	$2,639,077	...
1888	2,786,509	677,096	3,463,605	12½
1889	5,275,596	730,027	6,005,623	12½
1890	8,077,505	1,326,940	9,404,445	12½
1891	10,477,420	1,501,665	11,979,085	12½
1892	14,061,311	2,586,401	16,647,712	16
1893	16,032,744	2,832,960	18,865,704	16
1894	15,513,604	2,787,480	18,301,084	16
1895	13,829,724	4,317,660	18,147,384	16
1896	13,109,394	4,278,680	17,388,074	16
1897	13,000,869	4,441,490	17,442,359	16
1898	12,672,649	4,551,740	17,224,389	16
1899	12,705,099	5,011,190	17,716,289	16
1900	12,826,905	6,726,740	19,553,645	16
1901	12,792,530	7,440,600	20,233,130	18
1902	12,842,150	8,223,220	21,065,370	18
1903	13,845,565	9,091,270	22,936,835	18
1904	14,440,935	10,247,920	24,688,855	18
1905	16,739,640	11,804,250	28,543,890	18
1906	25,101,760	14,087,640	29,189,400	20
1907	38,346,335	16,381,475	54,727,810	20
1908	41,641,870	20,127,035	61,768,905	20
1909	48,281,330	24,405,210	72,686,540	20
1910	76,881,820	29,572,445	106,454,265	20
1911	98,720,345	37,858,660	136,579,005	20
1912	138,557,595	53,515,295	192,072,890	20
1913	144,753,220	68,223,205	212,976,425	20

From 1895 to 1905 improvements were taxed at 50 per cent. of
ments are exempt from taxation.

originally a little over 11 square miles, which was increased in 1911, so that it now covers $16\frac{3}{4}$ square miles.

Thus, while I mark with pleasure the extraordinary development which is so notable since I was here three years ago, and which fully warrants the large expenditure it has occasioned, I also note how important is the mass

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the enquirer into the financial stability of Vancouver:—

Gross Amount of Taxes Levied	Arrears at Close of Year	Gross Income	Total Expenditure from Revenue	Population at Close of Year	Year
$	$	$	$	No.	
...	...	$16,935	$14,708	1,000	1886
$32,998	$3,510	47,337	41,798	5,000	1887
43,295	4,984	67,196	67,274	8,500	1888
75,070	7,532	98,663	97,263	10,500	1889
117,555	13,340	144,561	128,746	12,000	1890
239,581	27,799	231,656	238,926	*13,685	1891
208,046	38,019	214,851	258,451	15,000	1892
377,314	87,402	325,298	314,413	16,000	1893
366,021	143,521	336,386	308,954	17,000	1894
323,771	190,192	318,018	294,176	17,862	1895
304,974	204,377	372,901	335,056	19,000	1896
304,432	221,090	389,481	361,343	20,000	1897
298,970	196,024	450,730	427,683	22,000	1898
304,213	166,404	474,971	482,016	24,069	1899
323,805	178,161	485,366	540,481	24,750	1900
330,256	133,593	610,894	639,886	*26,133	1901
339,095	142,149	536,259	648,569	29,640	1902
367,824	121,705	625,395	584,853	34,480	1903
391,297	97,700	645,719	679,363	38,414	1904
475,299	79,480	696,333	683,317	45,000	1905
670,776	74,705	916,148	809,230	52,000	1906
985,119	126,975	1,280,646	1,231,121	60,160	1907
1,089,316	163,121	1,447,173	1,388,669	66,500	1908
1,258,769	150,231	1,695,705	1,643,617	78,900	1909
1,773,535	179,296	2,366,518	2,204,242	93,700	1910
2,304,483	265,019	3,013,930	2,876,990	111,240	1911
3,183,573	410,136	4,008,762	3,843,033	122,100	1912
...	...	...	...	...	1913

value: from 1906 to 1909 at 25 per cent. From 1910 all improve-

*Dominion Government Census.

of population who have surged beyond the confines of the City of Vancouver and have overflowed into the neighbouring municipalities of Hastings, South Vancouver, Point Grey, Burnaby, and even New Westminster, all on the mainland, and, in a smaller degree, to North Vancouver and West Vancouver on the north side of Burrard Inlet. For instance, what is now the finest residential quarter of Vancouver, Shaughnessy Heights, which I visited when it was in process of reclamation from its primeval forest condition, is situated entirely in Point Grey, the municipality of which is alone responsible both for its corporate improvements and for the money with which to pay for them. Therefore, it seems to me that it is these younger corporations, or such of them as are in the same stage of development as Vancouver was twenty years ago, which will be in the more urgent need for outside capital.

The term "Greater Vancouver" is occasionally and casually applied to the City of Vancouver and the adjacent municipalities, but I see nothing and hear nothing to lead me to suppose that any one regards the realization of the idea as an objective that should be taken seriously and pursued without delay. The idea commends itself to me as not only sentimentally a magnificent one, but as also based on sound economics. Even if the inclusion of North Vancouver and West Vancouver, separated by the harbour, and of the more distant municipalities on the mainland, Burnaby and New Westminster, which might be called the "Greatest Vancouver" proposition, should be considered inadvisable, this would not affect the realisation of a "Greater Vancouver" formed by the union of the present city with those municipalities, South Vancouver, Hastings, and Point Grey, with which the City of Van-

couver is already so closely interlaced. The advantages of a central control as regards its roads, streets, sewers, water-service, police, fire department, financial and civic affairs to such a community as is here now existing, are too apparent to require elaboration.

And as this series of articles deals with the borrowings of the Western Municipalities, it may be pertinent to that question to remark that such a powerful Corporation, as this "Greater Vancouver" would assuredly be, could always borrow on much more advantageous terms than the individual units could possibly do. Another point is that such an amalgamation is more easily consummated and more beneficial results are attained when the communities are young, before vested interests have taken too deep root.

As to the future of this great port, there can be no doubt that it will ultimately become of infinitely greater importance. It has the whole weight of the system of the powerful Canadian Pacific Railway Company at its back. This company is spending colossal sums of money in doubling its lines, tunnelling, and initiating a new route through British Columbia, all its exertions being directed to ensure full and free access to Vancouver, its sole port on the main Pacific Coast. Vancouver will also derive great advantage from the large railway construction in British Columbia of the Canadian Northern Pacific Railway, which is the extension to the Pacific of the Canadian Northern from the Yellowhead Pass of the Rockies. Pursuing a southerly route after leaving Tete Jaune Cache, it will follow the course of the Thompson and Fraser Rivers till it reaches Port Mann, at the mouth of the latter river, and then proceed via New Westminster to its Vancouver station at False Creek. Trains will be running through to Vancouver

by this route in the autumn of 1914. The Grand Trunk Railway is also spending much money in railway construction, but its port is, of course, Prince Rupert. A line is, however, projected between Fort George and Vancouver, in which it is rumoured that the Grand Trunk Pacific is largely interested.

The vigour with which railway construction is being prosecuted in British Columbia is largely animated by the prospect of a near opening of the Panama Canal. This opening must have an ultimate effect of great benefit and importance on the trade of Vancouver, but the measure of the volume of this advantage cannot as yet be ascertained. But if the shortening by 6,000 miles of the sea voyage permits the opening up of the European markets to the wood products of British Columbia to the extent which their merits warrant, the financial benefit accruing to Vancouver, directly and indirectly, must be very considerable. Then, again, the arriving and sailing of the numerous vessels that will be required for the shipment of the Western grain which will go to Europe via Vancouver and Panama will add largely to the remunerative business of the port. The numerous additional trains coming laden from the East will offer exceptional opportunities for the carriage of lumber, fish, fruit and general merchandise on the return journey to the prairies. Besides this there is the general progress in lumbering, farming, fishing and mining which must take place in the near future, in the benefits of which Vancouver, as the commercial capital and chief port, as well as the largest manufacturing and trading centre of British Columbia, will substantially participate.

VII.—MEDICINE HAT.

The quaint name of one of those Indian Chiefs whose prowess in love and war was the admiration of the boy readers of a past generation, or else some Indian tradition, is no doubt responsible for the striking title of this city, as the great plains surrounding it were the hunting grounds of the buffalo, which came down in countless numbers to the watering-places of the Saskatchewan. Unlike most of the other cities of the West, it is not the agricultural products of the country which environs it that caused an increase in the population from 3,200 in 1909 to 15,288 in June last. It is as the city of natural gas that "The Hat" stands predominant over all the other cities of the Dominion, and it is from the abundance of this almost free gift of nature that it looks forward with confidence to the time when it will be one of the most important manufacturing centres of Canada.

It was early in 1883 that the Canadian Pacific Railway Co., in boring for water some 40 miles to the west of Medicine Hat, struck natural gas, but only in sufficient quantity for the lighting and heating of a section house. In 1891 Sir W. C. Van Horne, President of the line, came to the conclusion that natural gas was underlying Medicine Hat, and he offered to lend the town a drilling outfit if they would bear the expense of working it. The offer was accepted, and gas was reached at a depth of 7,650ft., with a pressure of 250lb. to the square inch.

In 1905, after a thorough examination of the gas fields in the East, the Town Council decided to bore to a depth of 1,000ft., and gave out a contract to that effect. At 1,010ft. the present splendid supply was tapped, having a pressure of 600lb. to the square inch and yielding an average flow of 3,000,000ft per. day. Numerous wells have since been drilled, and when they reach what is known as the Medicine Hat sands they tap the natural gas at a pressure of from 550lb. to 600lb. The city has now a dozen wells and has given out contracts for ten more, some of which are now on the verge of completion. This increase is necessary in order to keep pace with its industrial and municipal expansion.

It strikes one as singular in moving about the town to see no smoke arising from any of the chimneys. The reason is, of course, that no coal is used ; natural gas is the sole source of heat, light and power, although some portion of it is converted into electric current. The consequence is that clear air, free from smoke, is one of the advantages on which the citizens of "The Hat" pride themselves. The city derives a very considerable revenue from the sale of gas, although its rates to consumers are very low ; for domestic use 13½ cents—about 7d. sterling—and for manufacturing purposes rates varying from 6 cents to as low as 1 cent per 1,000ft. With such a rate as ½d. per 1,000 cubic feet of gas it is no wonder that Medicine Hat is proving so attractive to manufacturers.

The city authorities, in their desire to further attract manufacturing establishments within their boundaries, have offered, and continue to offer, extremely favourable terms. They will give sites abutting on the railways free, and will charge absolutely nothing for the gas for power and light for the space of five years. In return

for these advantages industrial companies contract to build within a certain time and then to employ not less than a stated number of hands. Many quite important corporations have already closed with this offer and built their factories and mills with good results. For instance, the largest brick-making concern in Canada has here an output of 60,000,000 bricks a year. Ogilvie's have one of the most up-to-date flour mills, with a capacity of 2,000 barrels a day, which is expected to be doubled, if not trebled, shortly. Two other large milling concerns, the "Maple Leaf" and the "Ontario and Manitoba," of about equal magnitude, are also located here. The only stone-ware manufacturing plant in Canada is using the oil for its furnaces for the production of heavy pottery of a superior kind. The iron rolling mills are working day and night, and it is in contemplation to institute an open hearth and steel plant at an early date. The Canada Cement Company is building one of its plants here at a cost of $2,500,000, and, with 250 men employed, it is estimated that it will turn out 4,000 barrels of cement daily.

The wisdom of these bonuses to attract industries has been questioned. The reply for the city is that Medicine Hat has given away for sites during the last two years 137 acres of land which cost the city $150,000. To sink a well to supply the necessary gas will cost the city $7,500. The industries located employ, or will employ, 1,850 hands, and it is estimated that each employé will be the cause, either directly by means of his family, or indirectly in other ways, of attracting another five people to the town, thus making an addition of some 9,000 to the number of inhabitants. It is also estimated that from gas alone the city derives a revenue of $5 per head, giving an annual return of $45,000 from the increase in

population, with $225,000 for the five years from this source alone. Besides this, the city would derive much benefit from other taxation, and also indirectly from the larger sums of money which would be disbursed within the city limits.

As to the duration of the supply, this is, of course, the vital question, in view of the fact that many places are now unheard of which once flourished when natural gas rose freely in their midst. The most recent report on the subject is that by Mr. W. R. Martin, who has made a special study of it. The estimate of Mr. Martin is that with the present rates of consumption increased four-fold, by growth of population, etc., the supply of natural gas will last for another 90 years. It is an essential factor in the industrial and financial situation of the municipality that within the city limits is situated a coal mine with a reserve of 77,000,000 tons of high grade lignite coal, which could be mined and delivered at a low price.

The City of Medicine Hat was not incorporated till 1907, at which time its population was about 3,000. Only 200 souls were added during the next two years, but 1910 showed a population of 4,000, and 1911 one of 5,750. Then came the period of great expansion owing to the fuller understanding of the industrial advantages offered by the corporation, and last year the population, with figures of 11,086, was nearly doubled. During the present year it is estimated that there has been a further increase of 5,000 people, so that the population is now stated at 16,000. The latest assessment is of a value of $20,000,000, on which a rate of 15 mills, equal to 1½ cents to the dollar, is levied. The tax is a single tax, on site values only, all buildings or other improvements altogether escaping taxation. The following balance-sheet, made up to August 31st last, will demonstrate the actual

financial position of the municipality up to the latest possible date :—

Condensed Balance Sheet as at August 31st, 1913.

Assets :	
Cash in Bank	$47,942.01
Accounts Receivable	148,530.96
Inventories	53,518.89
Capital Account	2,308,846.14
Loans	25,198.57
Sinking Fund	35,169.15
	$2,619,205.72
Liabilities :	
Debenture Account	$3,151,714.59
Less Unsold Issues	1,346,044.05
Outstanding	1,805,670.54
Bills Payable at Bank	375,000.00
Accrued Interest	17,411.19
Sundry Accounts Payable	3,296.25
Sundry Deposit Accounts	9,717.75
Loans Repayable	36,800.00
Accruing Liabilities (approximate)	215,000.00
Surplus	156,309.99
	$2,619,205.72

The following detail will show how the amount standing to the debit of capital account has been expended :

Details of Capital Account.

Natural Gas Works	$353,050.61
Water Works	860,114.44
Electric Light and Power	97,068.20
Sewers	298,039.49
Sidewalks	147,621.58
Industrial Sites (cost)	160,050.33
Railway Spur Lines	51,006.31
Municipal Buildings	55,130.98
Parks	85,000.00
Sundries	192,998.02
	$2,300,079.96

It will be noticed that the city possesses no street railway and has thus avoided a large amount of expenditure. It will also be seen that there has been no expenditure on the making of permanent roadways for the streets. The latter is a matter which should be taken in hand forthwith. The granolithic sidewalks (14 miles) are of good quality and well laid, and there are three miles of plank sidewalks, with nearly seven miles of street finished with granite curb and gutter. The sewers are 19½ miles in length, with an additional three miles of storm sewers. The water service covers no less than 35½ miles. As to the natural gas service, the high-pressure mains have a length of over nine miles and the low-pressure mains of nearly 26 miles.

From the financial statement it will be observed that the corporation has debentures unsold amounting to $1,346,044. I would suggest to them that the city would be benefited in every way if a large portion of these was devoted to asphalting or otherwise treating permanently the roadways of the streets. The present dirty roadways are not only an eyesore and unpleasant generally, but they are the reverse of economic when the very considerable traffic of the city is taken into account, a volume of traffic which must be largely increased with the growth of the manufacturing interest.

With hard streets and a good service of motor-buses Medicine Hat would become a much more agreeable residential city. If the system of motor-'buses were adopted the surface of the roadway would be free from the disfigurement of the upstanding rails and would thus be delightful for all classes of vehicular traffic.

While the land round Medicine Hat is not of the high quality which one generally associates with the prairies, there can be little doubt that it is capable of producing the mixed crops demanded by an industrial town, and the future is bound to see a great development in this direction also.

VIII.—MOOSE JAW.

It is open to question whether the grotesque name of this city, whatever may be the truth of the Indian tradition as to its origin, has been at all instrumental in helping its progress. One merit the title certainly has; it is so distinct that there is no chance of mistaking Moose Jaw for any other locality. The using of the moose's jaw to mend the pioneer's wheel is said to have happened in 1862, but so slow was the progress of the town that 1901 had closed before the population amounted to 1,500. During the following five years the population quadrupled, with a total of 6,250 in 1906, while the next quinquennial period saw so vigorous a growth that in 1911 the population had increased to 20,623. During 1912 a further 5,000 inhabitants were added, and for the present year the estimated population is 30,000.

The cardinal point for the reader to bear in mind in forming an estimate of the material progress of Moose Jaw is that in 1906 the population was only 6,250, and that in 1913 it is estimated at 30,000. Several causes have been at work to produce this remarkable result. In the first place Moose Jaw lies in the centre of the most thickly-populated area of the West; in the second, it is situated in the heart of one of the greatest wheat-producing belts of America, perhaps the very greatest of them all. Also, the No. 1 hard wheat, which is the staple produce here, cannot be duplicated across the border.

Its central position on the main line between Winni-

peg and Calgary, 398 miles west of Winnipeg and 442 miles east of Calgary, has made Moose Jaw an admirable receiving and distributing centre. No doubt this was the reason why the Canadian Pacific Railway selected it as one of its chief divisional points, as it has here 2,500 employees with a monthly pay-roll of $265,000. Moose Jaw is, indeed, well endowed in its railway service. Besides its important position on the main line of the Canadian Pacific Railway, the main Minneapolis and Edmonton line of the C.P.R. also runs through the city. By this second line Moose Jaw has direct communication, via Minneapolis, with the whole railway system of the United States, while through Edmonton it will be brought into direct connection with the rich Peace River district, now on the verge of being opened up. Then, the Grand Trunk Pacific Railway, coming from Regina, has already built 35 miles of a railway in a north-westerly direction through the rich wheat-growing districts surrounding Moose Jaw, and this will be extended to connect with the Grand Trunk Pacific main line, thus giving Moose Jaw access to the North Pacific coast at Prince Rupert. The opening of the Panama Canal is being carefully watched here, as many are of the opinion that much of the grain grown as far east as this will in the future go to Europe via the Pacific Coast and the Canal. The Canadian Northern Railway enters Moose Jaw from Forward, a station 60 miles to the south-east, and it is believed that this line will be extended in a north-westerly direction.

With these excellent railway facilities and with its central position to so large an area of the best wheat-growing country, it is not surprising to learn that Moose Jaw has been successful in its efforts to induce the large flour companies to erect mills within its limits. The

mill of the Robin Hood Company produces 2,300 barrels of flour a day, besides 500 barrels of oatmeal, and much other cereal food. Another large milling company produces 1,500 barrels of flour daily. One of the largest flax mills on the continent is in course of construction, which, when completed, will have a capacity of 8,000 bushels of linseed per day. The Dominion Government is erecting a Farmers' Storage Elevator with a capacity of 3,500,000 bushels, at a cost of over $1,000,000. In view of the growth of mixed farming alongside the present highly-developed system of wheat-producing, one of the biggest abattoirs and meat-packing plants in Canada is now approaching completion. Its present capacity will be doubled and it will be possible to handle daily 750 head of cattle and 2,000 hogs.

Moose Jaw is in no way privileged as to its source of power; all that it has done has been achieved without the possession of any special force producer, such as natural gas or water power. Coal alone is used for the production of power, and this has to be brought from the mines at Lethbridge, also on the C.P.R. It speaks well for the municipal authorities of Moose Jaw that they are enabled to supply the factories with electric power at the rate of 1 to 1¼ cents per kilowatt hour. It is believed that natural gas will ultimately be found in the near vicinity of the city, and the corporation is now drilling so as to make sure of the actual conditions. The city owns its water service, which brings a supply of good water for domestic service from the Caron Springs some 20 miles away. For soft water the Moose Jaw river will be utilised, and will be distributed under pressure for manufacturing and fire purposes.

The balance-sheet on the next page shows how the assets compare with the liabilities of the municipality:—

Condensed Balance Sheet, December 31st, 1912.

Assets:	
Cash, Sinking Fund, etc.	$243,551.21
Accounts Receivable	601,544.75
Police Department	5,736.39
Fire Department	187,107.23
Water and Sewer Mains and Supply	1,592,179.48
Sewerage and Garbage Disposal	228,614.01
Electric Light, Power and Water	409,014.89
Produce Market	134,881.97
Hospital	126,173.94
Streets and Highways	817,032.13
Parks and Recreation	125,443.38
Administration Buildings	94,333.32
Sundry Properties and Buildings	1,429,194.23
Miscellaneous Assets	455,130.34
	$6,449,937.27
Liabilities:	
Debenture debt	$4,251,252.23
Less unrealised and unissued	1,891,131.53
	2,360,120.70
Interest accrued	22,016.30
Treasury Notes and Bank Loan	1,340,274.17
Overdraft in Treasury Bills	5,935.36
Net Overdraft in Current Account	238,021.36
Loan against High Pressure Bonds	30,000.00
Sundry Accounts Payable	279,017.39
Sundry Accounts for Educational Purposes	37,499.98
Miscellaneous Accounts	17,251.40
Balance—Assets exceed Liabilities by	2,119,800.61
	$6,449,937.27

The assessment of Moose Jaw proceeds largely on the lines adopted by Winnipeg. All sites are taxed on their actual value and the buildings and improvements thereon at 45 per cent. of their value; there is also a business tax based on the measurement of the floor space used by business and professional men. The result is a very low rate of taxation, viz., 10 mills, equal to 1 cent to the

dollar : perhaps the lowest rate of any of the important Western municipalities. There is also a special assessment for local improvements.

The total liabilities of the municipality on the 31st December, 1912, the latest date to which I was able to obtain figures, amounted to $6,221,268, or, if we deduct debentures as yet unrealized and unissued ($1,891,132), this sum would be reduced to $4,330,136.

In Moose Jaw a large mileage of the roadway of the streets has been graded, but only about four miles have been actually made (asphalted, wood blocks, etc.). On the other hand, 33¼ miles of excellent concrete sidewalks have been laid, and to a great extent well curbed. Of sewer-pipes 28 miles have been laid, eight miles of storm sewers, and 54 miles of water-mains. The great and glaring defect of Moose Jaw is the condition of the roadway of its streets. However excellent this natural soil of the prairies may be for the growth of prize wheat, it makes the very worst material for streets : a slough of mire in wet and a poisonous source of dust in dry weather. In this respect the reader will do well to recall the fact, which I have already specially noted, that so recently as 1906, with a population of 6,250, Moose Jaw was only a respectable village ; it is only within the last three years that it has become an important town with an assessment roll that would warrant a large expenditure on its streets. But having secured this population, having constructed so large a mileage of sewers and sidewalks and water service, its main effort now should be to materialise a carefully-thought-out scheme to construct a proportionate mileage of permanent roadway. No self-respecting citizen could feel pride in a town whose roadways were in such a condition as that existing during my brief sojourn in it. The

streets are so excellently graded and the sidewalks and gutterings so well laid, that the completion of the roadway, if carefully devised and economically carried out, should be now well within the scope of the corporation. The change for the better in all the conditions of life at Moose Jaw which will be effected by this one improvement will be simply marvellous. The chief mitigation is the running of the cars of the Moose Jaw Electric Street Railway, not owned by the city, which is now operating on ten miles of track, while three additional miles are under construction.

Moose Jaw was perhaps less affected than most of the Western cities from the period of financial stringency under which they were all suffering, and in its future progress and development I have the utmost confidence.

IX.—REGINA.

Saskatchewan is the greatest wheat-producing province of Canada, and the City of Regina is its capital. Of the 199,236,000 bushels of wheat produced in Canada in 1912, no less than 105,993,095 bushels were grown in Saskatchewan, besides 101,476,070 bushels of oats, 7,870,123 bushels of barley and 13,176,857 bushels of flax. When I was in Regina and its neighbourhood in the autumn of 1910 I was much impressed with the volume and quality of the grain produced in this district, an impression greatly strengthened on the present occasion, and, to my mind, the recent enormous advance of the city in wealth and population is largely due, directly and indirectly, to the agricultural development of the surrounding country, backed up by the liberal facilities for railway transport which it enjoys.

The original name of the district was Wascana, from the Indian "Ooscana," signifying "a pile of bones," owing to the immense numbers of buffalo-bones found in the locality. The first settler arrived in 1882; in the following year the place was made the headquarters of the North-West Mounted Police, and the lands occupied by the present barracks of that force were selected. The name of "Regina" was given to the town-site by the Governor-General, then the Marquis of Lorne and now the Duke of Argyll, and in the same year the Town of Regina was declared to be the seat of Government of the North-West Territories in place of Battleford. At this

date the inhabitants had increased to 400, as compared with 200 in 1882. As will be seen from the following table, there was no remarkable increase of population till 1903, when, with 3,000 inhabitants, Regina was incorporated as a city, but the recent growth, since 1909, almost constitutes a record, even among Canadian Western Cities:—

1882	200
1883	400
1891	2,000
1901	2,645
1903	3,000
1905	5,500
1907	9,000
1908	10,000
1909	12,000
1910	18,000
1911 (Dominion census)	30,210
1912	42,000
1913	50,000

With a population which has thus quadrupled within the last four years, the municipal authorities have had hard work to keep abreast of the demand naturally occurring from this abnormal growth, in providing roads, pavements, sewers, water, light and power, and the general conveniences of modern city life, on a scale and in keeping with the previous good work, which has obtained for Regina the reputation of being one of the most up-to-date and finished cities of the West.

It speaks well for the corporation that it has been able to maintain its high self-imposed standard without having to inflict on its citizens an ever-increasing rate of taxation. On the contrary, it has been able to effect a considerable reduction of the rate. It will be seen from the following figures that in the districts in which the public school system has been adopted the rate has fallen from 18.1 mills on the dollar to 15.88 mills, and

where the separate school system obtains from 18.1 mills to 16.38 mills. It is still more satisfactory to learn that the rate for 1913 shows the further substantial reduction to 14 mills to the dollar :—

Assessment and Rate of Taxation.

Year	Assessment	Public Schools Mills	Separate Schools Mills
1901	$979,149.00	22	23.35
1902	1,062,628.00	24	25
1903	1,024,966.00	25	26.5
1904	2,284,710.00	22	22
1905	3,116,943.00	20	20
1906	6,448,092.00	15	15
1907	11,147,571.00	15	15
1908**	12,401,380.00	15	17
1909*	11,714,686.00	15	15
1910*	13,056,398.00	18	18
1911**	34,840,733.00	18.1	18.1
1912*	55,026,608.00	15.88	16.88

**Inclusive of property owned by City and exemptions.
*Exclusive of property owned by City and exemptions.

It will be seen that the valuation of property for assessment purposes has increased nearly fivefold since 1909.

The assessment is based on a far more complex foundation than is the case of those Western cities where the single tax on site values is the only one imposed. In Regina, as in the other cities, all sites, whether built on or not, are rated on their full actual value, but in addition there are here four other municipal taxes: a tax on buildings and improvements, a business tax, an income-tax (civic), and a local improvements tax. The tax on buildings and improvements is levied on 30 per cent. of their value. The business tax is levied on the basis of floor-space occupied, wholesale traders paying on a valuation of from $1 to $4 per square foot, retailers on about $3, and banks on about $8 per square foot.

The income-tax is a tax on salaries when these exceed $2,000 a year, all employers having to make an annual return to the city authorities as to the number and remuneration of their staff. The local improvement tax is paid by owners of property abutting on the streets on which the local improvements are being carried out, To prevent hardship the city issues its bonds for the cost of the work and the owners are granted a very liberal, it may even be thought a too liberal, period for their payments to the city, which include both principal and interest : for plank sidewalks, 5 years ; concrete sidewalks, 20 years ; asphalted streets, 15 years ; bitulithic streets, 15 years ; sewers and water mains, 30 years.

From the footnotes appended to table "Assessment and Rate of Taxation," it will be gathered that, notwithstanding the great increase in the valuation for assessment in 1912, that valuation did not include either the property owned by the city or the property exempted by the city from taxation, both these items having been included in the valuations of the two previous years. The valuation of the city property exemptions in 1912 was $7,062,206, and of other exemptions $8,577,931. I particularly draw attention to the subject of the city property because Regina has here a remarkable and unique asset, to which due prominence must be given in any impartial review of the assets and liabilities of the city. Owing to certain events in its past history the recital of which would unduly lengthen this letter Regina finds itself the fortunate possessor of a large area of land, 320 acres, right in the middle of the city. It lies immediately across the line of the Canadian Pacific Railway, and on it is focussed the wholesale portion of Regina's business. With commendable sagacity the city

has sold sites to the various manufacturers and wholesale merchants at a low price ($1,000 for lots measuring 25ft. by 125ft.), and by doing so has been able to enforce conditions which ensure the erection of good-class buildings. As these buildings are subject to taxation, Regina derives quite a large revenue from them in the way of the ordinary city rates, and also finds excellent customers in the owners for water, light and power. This section is supplied with spur tracks, so that goods can be received by or despatched from these warehouses direct by rail to all districts served by the Canadian Pacific, Canadian Northern or Grand Trunk Pacific railways. The Canadian Pacific station, of which the Canadian Northern is the joint user, immediately adjoins this civic industrial section. Through the Grand Trunk Pacific direct connection is also made by the civic section with the Great Northern Railway of the United States.

At the time of my visit Regina had sold about one-fourth of its holding in the civic industrial section, thus leaving three-quarters of the area for future sale: an asset, to my mind, of the highest importance.

Comprised in the section is a segregation of 33 warehouses, all of which are devoted to the sale of agricultural implements. The business done by them is so great as to be surprising both as to volume and value, the sales of these establishments alone totalling the sum of $25,000,000 in 1912, this easily constituting Regina the largest distributing point of farm implements in the whole world. Exclusive of the implement warehouses, there are ninety wholesale houses, which it is claimed handle more than half the entire wholesale business of Saskatchewan.

But even if Regina did not possess this particular

asset, which in the city's books appears at a value of $3,610,100, its balance-sheet for 1912, here republished, will be sufficient to assure the holders of its bonds of the sterling value of their investment :—

Balance Sheet as at December 31st, 1912.

To Fixed Properties— Assets.		
Remunerative and Realizable	$2,604,614.44	
Unremunerative & Realizable	6,704,702.96	
Unremunerative & Unrealizable	5,568,668.85	
		$14,877,986.25
,, Accounts Receivable		622,946.25
,, Inventories		24,247.45
,, Cash on Hand		179,869.58
,, Sinking Fund, Cash and Investments		189,147.63
,, Deferred Assessments (Frontage Taxes Collectible)		957,739.23
,, Spur Track System		17,707.73
,, Insurance (Unexpired)		4,938.55
,, Resurvey of City		4,500.00
,, Interest Receivable accrued but not due		1,416.05
,, Suspense Account		5,000.00
		$16,885,498.72
Liabilities.		
By Debenture Debt		$4,528,289.47
,, Accounts Payable		547,625.64
,, Government of Saskatchewan (Cyclone Loan Act secured by Mortgage on City Properties)		333,420.00
,, Tax Sale Fund		4,036.59
,, Deposits		6,839.17
,, Unclaimed Wages		923.58
,, Bank of Montreal		323,641.69
,, Sinking Fund Reserve		189,147.63
,, Sinking Fund Levy for 1912		96,439.04
,, Reserve for Bad and Doubtful Debts		8,000.00
,, Surplus—Capital	$10,826,734.00	
Revenue	20,401.91	
		10,847,135.91
		$16,885,498.72

From the above it will be seen that the surplus assets of the municipality were of the value of $10,847,135, and

that even if we treat the unsold portion of the civic industrial section as non-existent, which we have no right to do, and deduct its value ($3,610,100) from the surplus, this surplus would still amount to $7,237,035, an amount in itself greater than the whole liabilities of the city. These, on December 31 last, aggregated $6,038,363, including the Cyclone Loan of the Government of Saskatchewan, which amounted to $333,420.

Then too, I might remind the holder of Regina's bonds that while the city has no source of power comparable to the hydro-electric of Winnipeg or the natural gas of Medicine Hat, it is yet the owner of its public utilities, electric light and power, waterworks and street railway. Although coal, brought from some distance, has to be used for the production of electricity, the Corporation is able to supply current to large users of power at the rate of 1 1-10 cents per kilowatt or $59.40 per h.p. per annum, on a 24 hours per day basis. So satisfactory, indeed, has been the operating management of this department that at the beginning of the present year the Corporation was able to make a reduction of 20 per cent to consumers of light and power, and it is now estimated that, notwithstanding this great abatement, there will be a surplus of revenue over expenditure, including interest and sinking fund on the debentures issued by the city for this department, of $70,000. In the waterworks there will also be a considerable balance of income over expenditure, estimated at $20,000, so that if we assume the civic disbursements of the year at $600,000, there is provision from these two items of nearly one-sixth of that amount.

The street railway is a much more recent undertaking. The Council in 1910 submitted to the ratepayers the question of granting the franchise to one of a

number of companies who had applied for it, but it was decided that it was better for the city itself to undertake the work. Construction was begun in the spring of 1911, and on July 29 of this year, the first service was instituted. Up till December 31, 1912, the capital expenditure was $922,000. Sixteen miles of track had been completed, the rolling stock consisting of 20 cars and one snow sweeper. The financial results for this early period of the enterprise must be considered satisfactory, as the gross earnings for 1912 amounted to $100,842, as against operating expenses $85,900. During the current year great developments are in progress, the extensions, of 15 miles additional track, covering practically the whole area within the city limit, while 14 additional passenger cars, with several freight cars, are also being provided. Interest on the whole amount under construction is charged to 1913, although no revenue will be derived from the 14 miles under construction.

I have already stated that the total liabilities of Regina on December 31, 1912, including debenture debt, amounted to $6,038,363. The following table will show the amount of the debenture debt at that date, and the purposes for which the money was raised:—

Debenture Debt, December 31st, 1912.

Waterworks		$763,576.08
Electric Light		412,883.89
Street Railway		650,000.00
General (Sewerage System, Sidewalks, Pavements, Subways, Hospital, etc.)		2,701,824.50
		$4,528,289.47
Deduct—Sinking Fund Reserve	$285,586.67	
Local Improvement Debentures	206,551.18	
		492,137.85
Net Debenture Debt as at Dec. 31st, 1912		$4,036,151.62

The items waterworks, electric light and street railway speak for themselves in the above statement; let us see what value in roads, sewers, pavements, etc. the city has constructed with the portion of the proceeds of the debenture debt allocated to general purposes, $2,701,824 :—

	Miles
Streets asphalted, granitoid, etc.	19
Streets graded	73
Streets boulevarded	10
Granolithic Pavements	20
Plank Sidewalks	54
Sewers	34
Water Mains	34

The area of the city is 7,850 acres, of parks inside the city 257 acres, of cemetery 75 acres, and of exhibition grounds 75 acres.

It is almost needless to remark that it would not have been possible for Regina to have developed the large wholesale business to which I have already referred had it not been for the fine railway facilities which it has enjoyed. It is claimed by its citizens that Regina is the distributing centre of a district extending 160 miles in every direction, and that 1,200 commercial travellers are employed in this distribution. Till recently the Canadian Pacific has been the mainstay of the city in this respect, but in future Regina will be yet more effectively served, as it will have the benefit of all the other great transcontinental railways, and of their branches radiating in all directions. Already 33 passenger trains enter and leave the city daily. That a period of great expansion is expected is amply vouched for by the fact that the Grand Trunk Pacific Railway Co. is now spending on the station at Regina $1,000,000, and on their hotel, the Château Qu'Appelle, the sum of $1,500,000.

Regina is a residential city. Although the Provincial University is not situated there, it otherwise offers educational advantages of the highest character. The buildings, which are located in the quarter of the city which contains the Parliament Buildings, are of a high order, and very large sums are now being spent in additions to them. The fine Parliament Buildings are well situated overlooking Wascana Park and Wascana Lake.

In view of the exceptionally large increase of population in recent years, it seems only reasonable to suppose that Regina will require more money if its past reputation as a high-class and refined city, the Queen City of the West, as its citizens delight to call it--is to be maintained. On the other hand, a large amount of work has been carried out during the present year, and it is hardly likely that any excessive demands for credit will be made by a municipality which has shown its ability to manage its affairs with economy and discretion. In my opinion the credit of Regina is beyond question.

X.—SASKATOON.

Saskatoon is the typical example of those Western towns whose beginning is so recent that there is no decorative early record upon which to dilate. "Ten years ago a sprinkling of rude shacks upon the raw prairie; to-day a city of some importance," about comprises such a history, although, as far as Saskatoon is concerned, it may be added, "and the seat of the University of Saskatchewan."

So recently as 1903 the inhabitants numbered only 113; in 1906, 3,011; in 1911, 18,096; at the end of October, 1912, 27,527; a moderate estimate for 1913 is 30,000. A bare recital, certainly, but nevertheless a quite remarkable one. My previous visit to Saskatoon was in the early autumn of 1910, and the difference between a rough country town in the making, as I then found it, and the well-organised modern city of moderate dimensions, which awaited my return, is quite remarkable.

The especially rapid growth of the past few years I attribute mainly to the great development of the fine agricultural district that environs Saskatoon. Two other factors have also had considerable influence on the result. Saskatoon has been the centre for some years of a sphere of unusually heavy railway construction, and this has entailed the distribution of an extremely large amount of money, much of which has gone to the development of the city. Then, again, the consequence of the decision of the Legislature of Sas-

katchewan to make the city the seat of its Provincial University and also of its Agricultural College, was the cause of the expenditure of further considerable sums on the erection of the buildings, while the teachers and pupils help to swell the record of population.

Saskatoon is prettily situated on both sides of the South Saskatchewan River, the eastern side being largely devoted to University, scholastic and residential purposes. The river is crossed by four fine bridges: that of the Canadian Northern Railway, 1,000ft. long; the Canadian Pacific Railway, 1,300ft. long; the Grand Trunk Pacific Railway, 1,530ft. long; and the Traffic Bridge, for the general pedestrian and vehicular traffic of the city, 1,000ft. long.

Although every site is taxed at its full value, whether vacant or built on, whether occupied or unoccupied, Saskatoon's municipal rating does not altogether depend on the single tax. In addition there is a rate on 25 per cent. of the value of the buildings and improvements, besides which there is the so-called business tax, levied on floor-space occupied, the rate varying from 10 cents a square foot for a wood-yard to $7.50 a square foot on the floor space occupied by the business of a bank. There is also the local improvement tax, which is levied in the usual way. When the cost of the work is ascertained a certain proportion of it is charged to the city and the remainder to the properties benefited, in proportion to their foot frontage. Each year the owners pay interest on the cost to the city, together with a contribution to the sinking fund, for the payment of the debentures that were issued to pay for the improvements.

The rate of taxation is 18 mills on the dollar. Saska-

toon has the right of assessment on certain school districts lying outside the city. Including these outside districts the value of the property assessed in 1912 was $43,141,525, or, deducting property exempted from taxation, such as churches, etc. ($3,299,550), the net value was $39,841,975. This compares with a total assessment for the present year, 1913, of $64,766,977, or, deducting property exempted from taxation ($3,939,685), a net assessment of $60,827,292. It will thus be seen that the net assessment valuation of about $40,000,000 for 1912 has been raised, in one 12 months, to $60,000,000, for 1913, an advance of 50 per cent. To some this may be taken as a favourable sign of Saskatoon's financial standing. I regard it with rather different eyes. If the advance of the assessed value had been based to any considerable extent on new buildings, or an increase of area occupied as business premises, there would be some grounds for satisfaction at the increased value on which the assessment is levied for the present year, but when we find that less than 6 per cent. of the advance is attributable to these items, and that the remaining 94 per cent. of the advance is due to an increased estimate being placed upon site values there seems to me to be cause for serious reflection. It is not as if real estate had become more valuable in 1913 than it was in 1912. On the contrary, in Saskatoon, as in nearly every other Western city, there has been a slump in the real estate business, and the man able to command the same price for his property in 1913 as he could in 1912 would be esteemed a fortunate person. If, then, there is no warrant in an actual increase of value of the town sites of Saskatoon for the increased valuation, it would seem that the real reason of that increase is the exigency of the city—more funds must be raised

for civic expenses and the service of the municipal debt, and an increased valuation is the readiest remedy.

The city is the owner of its public utilities. The water supply is derived from the South Saskatchewan River, which runs through the city. Unfortunately no hydro-electric force can be derived from this river, or any other source near enough to be economically available, the consequence being that the electric light and power of the municipality's installation is generated from coal, which has to be brought from some distance. The city is well served by its electric street railway, of which 13 miles are now running. Considerable sums have been spent on the streets, pavements and sewers, thus making it a pleasant residential city. There have been laid down :—

Cement pavements	42 miles.
Wooden pavements	5 miles.
Paved streets, granolithic, etc. ...	3½ miles.
Water mains...	34 miles.
Sewers	32 miles.

Much further information as to the city improvements which have been effected and as to their cost will be easily obtained from a perusal of the condensed statement of the city's assets and liabilities as on the 31st December last.

Condensed Balance Sheet, as at December 31st, 1912.

Assets.

Cash Balances		$214,662.36
Bank Balances		366,849.76
Accounts Receivable—Electric Light, Waterworks, Hospital & Miscellaneous	$233,522.88	
Taxes Outstanding	321,635.21	
		555,158.09
Sundry Inventories—Including Stores		107,759.91
Fire Department—Land, Buildings, Equipment, etc.		221,976.69
Police Department—Building and Equipment		8,852.70

Old Power House—Land, Buildings, Equipment and Electric Light Extensions		639,763.96
New Power House—Land, Buildings and Machinery		418,395.23
Local Improvements—Sewer and Water Mains, Ornamental Lights, House Connections, Pavements and Sidewalks		2,128,757.37
Storm Sewers, Standpipes, Intercepting Sewer and Sewage Disposal		461,236.84
Civic Buildings—Hospital, City Hall, Market, Board of Trade Offices, Stables, Storehouse, Collegiate Institute and Miscellaneous		485,048.99
Street Improvements—Bridge Attachments, Overhead Bridge, Subways, Retaining Walls and Street Openings		260,640.94
Civic Properties—City Hall Site, Market Site, Cemetery, Parks and Miscellaneous		1,812,081.50
Municipal Street Railway		508,136.10
Exhibition Grounds—Land and Buildings		216,594.30
Sundry Equipment—Board of Works and Board of Health		72,973.84
Land Titles Office Deposit		100.00
Miscellaneous Suspense Accounts		425.02
	8,479,413.50	
General Revenue & Expenditure—Deficit	36,280.60	
		$ 8,515,694.20

Liabilities.

Debenture Debt:—Debentures—Principal		$1,870,936.42
City of Saskatoon Registered Stock		2,251,933.33
Debenture Interest Accrued		41,658.44
Loans—Bank of Montreal	$718,000.00	
Canadian Agency, Limited ...	900,333.32	
		1,618,333.32
Accounts Payable—Including		
Holdbacks on Contracts	$312,511.13	
Public, High & Separate School Boards	96,416.93	
		408,928.06
Trust Funds—Contractors' and Other Deposits, etc.		56,122.27
Reserves—Outstanding Liabilities	$11,667.37	
Sinking Fund and Depreciation	231,873.70	
Bad and Doubtful Accounts Receivable	19,560.19	
Debenture Flotation Expense	279,334.03	
Local Improvement Levies	87,156.91	
Cemetery Upkeep	3,060.58	
		632,652.78
Local Improvement Commutations		7,362.57

School Tax Overlevy	5,985.92
General Interest Accrued	929.30
Miscellaneous Overdrafts	47.74
Balance—Surplus Account	1,620,804.05
Total	$8,515,694.20

GENERAL REVENUE AND EXPENDITURE—YEAR ENDED DEC. 31st, 1912

Debit.		
Committee Expenditures	$63,345.56	
Board of Works	128,910.19	
Board of Health	58,362.43	
Fire Department	58,214.01	
Parks and Exhibition Grounds	31,121.82	
Police Department	23,122.79	
		$363,076.80
School Boards		173,500.00
Debenture Interst and Sinking Fund		89,190.50
General Interest		11,671.36
Grants		49,660.92
Public Utilities		31,184.85
Construction of Isolation Hospital		4,814.28
Employers Liability Insurance		3,033.35
Temporary Water Connections		632.37
Tax Sale Costs		450.67
Medical Attention to Indigents		260.00
Reserve for Outstanding Liabilities		12,106.16
		$739,581.26
Credit.		
Balance, January 1st, 1912		$4,986.63
Tax Levies—General	$510,564.83	
School	165,964.37	
Local Improvement, School District	12,501.67	
		695,030.87
Stores Department		208.59
Building Inspection Department		340.19
Rents		2,734.38
		$703,300.66
Balance (Debit, carried forward to 1913)		36,280.60
		$739,581.26

At the date of that statement, December 31st, 1912, the amount of debentures authorised was $5,919,942, of which $980,588 were unsold, the net amount outstanding

being $4 787,556. Six months later (June 30th, 1913) the amount of debentures authorised had increased to :—

		$7,620,088
Less debentures unsold	$2,575,734	
Repayments	3,757	
Sinking fund	148,041	
		2,727,532
Net amount debentures outstanding, June 30th, 1913		$4,893,556

On the 30th June last, therefore, debentures to the extent of $7,620,088 had been authorised, but $2,575,734 of them remained unsold.

The following statement will show the purposes for which the debentures up till 30th June last were authorised :—

General Debentures		$2.835,351.37
Electric Light	$1,077,400.00	
Waterworks	586,903.80	
Market	37,000.00	
City Hospital	610,000.00	
Street Railway	700,000.00	
		3,011,303.80
Local Improvement—		
Sewers	$384,066.23	
Sidewalks	373,991.23	
Sewer & water connections ...	292,000.00	
Paving	378,151.11	
Tungsten lighting	36,675.00	
Water mains	308,549.37	
		1,773,433.22
Total		$7,620,088.39

I do not know how the sale of the debentures on hand on 30th June last has since progressed, but, when they are sold, I think that Saskatoon, under its present conditions, will have quite reached the limit of the credit to which it is entitled, even if it has not already exceeded it. It seems to me that a debenture debt approaching the sum of $8,000,000 in 1913 is a serious matter for a

young community whose assessment valuation was only $40,000,000 in 1912. The progress made by Saskatoon during its life of ten years is remarkable, but it must be remembered that it takes a reasonable time to develop a city, and that a forcing process is always an expensive matter. This is especially the case when, as now, credit and prestige are somewhat shaken, and when lenders are taking a much sterner view of the return they require for the investment of their capital. There is a fine framework of a city at Saskatoon, but, like that of a slender stripling, it wants filling up. If, of the very large number of vacant lots which obtruded themselves on my notice in the majority of the streets of Saskatoon, a fair proportion are built on and occupied during the next few years, then Saskatoon might have a reasonable expectation that its future calls on the market would receive respectful attention.

The very excellent railway service—one might say without exaggeration, the abnormally good service—which the city receives from the three transcontinental railways, is one of those essential factors in the history of a young community which cannot be overlooked. Besides the trunk lines going east and west, Saskatoon is either the actual junction, or is very near the junction, of a larger number of branch lines serving the great grain districts than any other Western city, and it seems only reasonable to expect that a large amount of the ever-growing trade of those districts will be centred in Saskatoon. I am confident that Saskatoon has a prosperous future before it if its municipal authorities are wise enough to confine its borrowings to the limit which prudence would prescribe, and careful enough to see that the money borrowed is expended with intelligence and economy.

IX.—BRANDON.

The prairie lands of Manitoba were the first to attract that great stream, with strong westerly current, of British settlers, which, increasing year by year, is steadily converting Western Canada into one of the greatest grain-producing districts of the world. Brandon, beautifully situated on the Assiniboine River, is the second city of Manitoba, and in many pleasant ways, in spacious surroundings to charming homes, in well-paved, well-kept, well-lighted streets, with fewer central vacant lots, this earlier settlement proclaims its beneficent influence.

It is not, however, to be understood that Brandon has had any phenomenal growth, like its sister city, Winnipeg; on the contrary, the current to the West swept past it, leaving a small residue to gradually add to its population. It has been due to a steady, almost "old-country," rate of growth, that the improvements have been effected. Although Brandon was incorporated as a city in 1882, its population in 1900 was only 5,388, and the following table will show with what deliberation the advance up to the present has been made:—

1900	5,388	1907	11,180
1901	5,340	1908	11,386
1902	5,589	1909	11,745
1903	6,109	1910	12,770
1904	7,006	1911	13,419
1905	8,529	1913	14,453
1906	9,898	1913 Police Census	17,280

It is, however, encouraging to note that the largest increase on record is that of the last twelve months.

But if the population of Brandon has not increased by leaps and bounds, it is of the utmost importance, having in view the scope of my letters, to know that its finance has always been organized on the soundest lines, and that its credit stands to-day on an unimpeachable basis.

The single tax does not find favour at Brandon, but as in all the other Western cities, every lot is taxed and at its full site value. Buildings and improvements are taxed on 50 per cent. of their appraised value, and there is also a business tax levied on a percentage of the rental value, the minimum levy being on one-tenth and the maximum on one-eighth of the value. Local improvements, such as sidewalks, street paving, boulevards, standard lighting and sewers, are in the first instance paid by the city from the proceeds of debentures issued for that purpose, the amount being subsequently repaid by the owners of the properties abutting on the streets where the improvements are being made, these repayments being conveniently distributed over a certain number of years. The following table* gives much interesting information as to the yearly valuation of property in Brandon, the rate levied and the revenue raised. Here again, it will be noted that the largest increases have occurred during the most recent years.

As already intimated, the finances of Brandon have been administered with discretion. The gross debenture debt on the 28th July last amounted to $3,064,639, and the net floating debt to $191,297, so that the total liabilities of the municipality at that date only amounted to $3,255,936. It is only necessary to take a rapid glance at the assets to see that the full value exists for the

* See next page.

money which has been borrowed. The local improvement debentures above referred to, and for which individual citizens are in their turn debtors to the Corporation, amount to $1,020,817—waterworks $755,000, street railway $450,000, general sinking fund $110,876, and work incompleted $521,000. Deducting these amounts from the total indebtedness, the net debt of the city, not accounted for above, is only $398,249.

Total Capitalised Assessment, Rates and Taxes.

Year	Amount	Rate Mills	Taxes
1891	$2,649,006	20	$52,980.12
1892	3,059,090	22.4	68,523.62
1893	3,118,838	23.4	72,980.81
1894	3,202,781	18	57,650.06
1895	3,098,138	15.5	48,021.14
1896	3,046,184	17.9	54,526.69
1897	3,024,829	20	60,496.58
1898	2,645,086	25	66,127.15
1899	1,920,976	26.5	50,905.86
1900	2,130,843	27.5	58,598.18
1901	2,387,782	27.5	65,664.00
1902	2,252,966	30	67,588.98
1903	2,578,818	33	85,100.99
1904	3,345,789	29.5	98,700.78
1905	5,302,847	19	100,754.09
1906	8,044,946	16.1	129,523.63
1907	8,385,663	20	167,713.26
1908	9,252,822	20	185,156.00
1909	9,414,921	20	189,185.61
1910	9,573,740	22	210,622.38
1911	10,801,232	21	226,825.87
1912	11,626,760	24	279,042.24
1913	15,238,844	26	396,309.94

Of its public utilities, Brandon is the owner of its waterworks and of its street railway, but the gasworks and electric light and power plant are owned by private companies. An abundant supply of water is obtained from the Assiniboine River, and the money for the completion of the works has been provided. About seven miles of street railway have been laid, and two additional miles are under construction. Ten street cars, with

motors, are used, besides ten trailers. The power is taken from the Brandon Electric Light Company, at a cost of 2 cents per kilowatt.

The City Council has under consideration the establishment of a civic electric light and power system. There is an excellent water power seven miles from Brandon, from which 2,000 h.p. can be developed. A careful hydrographic survey of it has been made, which shows that this amount of power could be depended upon for at least eight months of the year. No doubt this source of supply will be eventually utilised.

A very ingenious system of heating has been installed in the business part of Brandon, the only one in any of the Western cities. Perhaps it may be the forerunner of town heating by other municipal authorities. This system uses the exhaust steam from the Brandon Electric Light Co., the quantity of steam used being measured by the condensed water which passes through the meter supplied for that purpose.

As I have already intimated, Brandon is a well-organized, well-kept city. The water-mains have a length of 28 miles ; sewers, 23 miles ; granolithic sidewalks, 49 miles ; boulevards, 15 miles ; asphalted streets, 2 miles ; and macadamized and graded streets, 18 miles. Most of the streets under the latter heading are already macadamized, so that there is little left to be done in that way. The municipality undertakes the work and has its own stone-crushing plant for the purpose.

Brandon has such a fine railway service that it comes somewhat of a surprise to find that the growth of the city has not been more rapid. It is a divisional point both of the Canadian Pacific and the Canadian Northern railway. The Canadian Pacific has already double-

tracked the line to Fort William, and they announce the laying of two more tracks, thus making a four-track system, by which Brandon should profit. The Grand Trunk Railway is completing its line into Brandon, besides which the J. J. Hill system of American railways is already brought into direct connection with the city ; his Great Northern Railway has extensive trackage facilities in the heart of it.

A strong impression as to the healthy condition of Brandon's finance has been made on me by my stay here : I have the highest opinion of the soundness of its management by the very careful and competent officers whom I had the pleasure to meet. Whatever changes occur in the position of Brandon will be favourable ones. Its growth may not be quick, but it will be sure ; it is quite on the cards that the rate of progress may be much more rapid than is generally anticipated.

It is, perhaps, unnecessary for me to add that I consider Brandon's borrowings have been on a moderate scale, and that the city is absolutely good for the amount of its debt. This is not likely to be greatly increased in the near future, unless Brandon decides to proceed with the hydro-electric power scheme to which I have referred ; in that case its application for a further loan would be quite reasonable.

THE "TWIN CITIES":
PORT ARTHUR AND FORT WILLIAM.

Although there is no wheat production at either Port Arthur or Fort William, and although these two cities are in Ontario, they are so closely associated with the development of the Prairie Provinces that my review as to the borrowings of the Canadian Western Cities would be incomplete if the series were closed without touching on the financial position of these two important and closely-knit municipalities. So intimately united are they physically that it is difficult to treat the one quite independently of the other; what area of vacant ground is left between them is being so rapidly developed by building that in a comparatively short period of time the inter-city boundary will be a nominal one—a line without breadth. When I was in Port Arthur in 1910, Mr. S. G. Neill, then the Industrial Commissioner, who has since transferred his energy and experience to the development of North Battleford, not only pointed out to me the mode in which the development of Port Arthur was proceeding, but he also kindly escorted me on a similar mission through Fort William. Subsequent visits to both cities have confirmed the view which I then expressed to him with some emphasis, that they should combine, and that the sooner the amalgamation was perfected the better it would be for all parties.

The amalgamation still lacks fulfilment, but so confidently do I anticipate its consummation that in some

ways I shall treat as pertaining to Port Arthur the general conditions which prevail equally in both cities, and thus avoid some needless repetition.

No. 1—PORT ARTHUR.

Standing at the head of Thunder Bay, the best harbour on Lake Superior, and situated 1,700 miles from the Atlantic and 1,900 miles from the Pacific, about mid-way between the Eastern and Western markets, Port Arthur, with its "Twin-City" Fort William, has been well called the silver gateway of the golden West, as through it passes the bulk of the wheat grown in Western Canada, which pays for the immense supply of raw materials and manufactured goods coming from the East.

Thunder Bay is one of Port Arthur's greatest assets, for it gives the finest natural harbourage on the north-western shore of Lake Superior, and it is fortunate for the wheat-growers of the West that it is situated at the nearest point of the Great Lakes to them. It is 35 miles long and 16 miles wide. The main outlet from it to Lake Superior is guarded on one side by Thunder Cape, known by the Indians as the Sleeping Giant, and on the other by Pie Island, whose great length of bold and rugged hills, which almost join the mainland to the south, affords that effective shelter which the magnitude of the interests involved demands.

The capacity of the elevators already erected at Port Arthur and Fort William is simply gigantic, and yet this is quite insufficient for the terminus of water transportation to the interior of Canada, the point where the grain of Western Canada is discharged by train-loads into steamers. The notable elevator of the Canadian Northern Railway has a storage capacity of 9,500,000 bushels, and

from August 31, 1911, to December 13, 1912, no less than 50,360,563 bushels of grain were handled by this elevator alone. The harvest of 1912 was not a very good one, and yet the elevators operating at the close of the year, with a capacity of 30,000,000 bushels, were unable to cope with the in-rush of grain from the West. The consequence was that during 1913 additional elevators were built, including a large one—3,250,000 bushels, owned by the Dominion Governments so that at the close of the year the aggregate existing capacity was over 42,000,000 bushels. So great, however, was the increased yield of grain from the Prairie Provinces that this accommodation has proved inadequate, and there now lie in Thunder Bay even a larger number of big Lake steamers—floating storehouses, loaded to their fullest capacity, awaiting the opening of the 1914 navigation—than that immense fleet of 60 grain-laden steamers which moved out of Thunder Bay on the breaking-up of the ice in the spring of 1913, carrying the 12,000,000 bushels of grain which had been stored in their holds during the previous winter. The total shipments from the head of the Canadian Lakes in the year 1911-12 aggregated 143,046,840 bushels.

By means of the Great Lakes, the Sault Ste. Marie, and the Welland and St. Lawrence canals, Port Arthur has direct access to the Atlantic. But unfortunately the Welland and St. Lawrence Canals were constructed in days when the magnitude of the modern leviathan of the deep was not foreseen, and the consequence is that nearly all grain for Europe has to be transhipped. Therefore the greater part of the grain shipments by the "All British" route from Port Arthur follows the line of Sault Ste. Marie to Georgian Bay on Lake Huron, being transferred to rail at one of the Ontarian

ports there for Montreal. Of course, a much larger bulk takes the Sault Ste. Marie, Lake Huron and Lake Erie route to Buffalo for shipment from United States ports. Even in the winter there is little movement of grain by the all-rail route, the distance to the Canadian winter ports, St. John, N.B., and Halifax, N.S., entailing too heavy a cost.

Port Arthur and Fort William also serve as the discharging ports and general entrepot for the enormous import of American coal, which the grain steamers bring on their return journey during the shipping season, and which is distributed by rail throughout the year in constantly increasing quantities to the Prairie Provinces. Besides this the Great Lakes give Port Arthur and Fort William easy and cheap shipping access to Duluth and Chicago, and through these ports to Minneapolis, St. Paul, St. Louis, and the other important cities of the middle west.

In this colossal shipping business, outwards and inwards, lies one of the chief causes of the existence and continuous growth of Port Arthur and Fort William, as well as the solid basis for a confident expectation of a yet greater expansion and development in the future.

Established as a municipality in 1872 under the title of Prince Arthur's Landing, Port Arthur, with an area of ten square miles, was incorporated as a city in 1907. It is pleasantly situated on an eminence, rising gently from the water-side to a height of some 300ft., the upper portions of the city commanding fine and extensive views over the surrounding country and Lake Superior. The growth of population has not been rapid, but that it

steadily continues is shown from the following figures :—

Year	Population.
1901	3,148
1906	7,000
1911	14,000
1912	15,654
1913 (estimated)	18,025

The municipality has always fully appreciated the natural advantages possessed by the city, and has shown much energy and enterprise in its conduct of civic affairs. The result is that Port Arthur has initiated and is the owner of its waterworks, electric light and power, its telephone system and its street railway, and conducts them in so able a manner as to leave a good margin of profit, which goes to the lessening of City taxation.

The source of supply of the present water works system of Port Arthur is Lake Superior, the intake being through a 20-inch pipe, 3,300ft. from the shore. The capacity of the direct pumping installation, driven by water and electrical power, is approximately 3,500,000 gallons per day, the pressure of the service throughout the city averaging 135lb., and the water mains having a length of 32½ miles. Equal attention is paid to the drainage of the city, the sanitary sewers having a length of 29½ miles and the storm sewers of 4¼ miles. For further sewerage extensions the estimates already prepared amount to $255,080, a striking indication of the conviction held by the municipal authorities of the city's future growth.

The streets of Port Arthur are well laid out and well

kept. The following table will show how the roadway of the streets has been treated :—

	Miles
Granitoid, asphalte block, sheet asphalte, bitulithic, and asphaltic concrete	4½
Rocmac streets	2½
Macadamised streets	21
Graded streets	34
Open streets, not graded	9
Unopened streets	92

The pavements also are of good width and up to date :

	Miles
Concrete pavements	25½
Plank pavements	7½

The hydro-electric power for supplying the city's electric light and power department is derived from the falls of the Current River, which are in close proximity to the city and yield 5,000 h.p., and possess a capacity of a much higher yield on development. This power is sold to factories at the low rate of $25 per h.p. per annum.

In Port Arthur and Fort William the length of street railways is about 30 miles. Port Arthur had the franchise for constructing the line through both cities, but Fort William objected to this sole ownership, whereupon Port Arthur sold to Fort William the portion of the line situated in that municipality, which then granted a lease of it to Port Arthur, so that Port Arthur now operates both lines. At the present time Port Arthur is extending its portion of the line by putting in a five-mile track round the hill section of the city, while at the back of this line another one is projected, so that artisans may be enabled to buy cheap building sites at some distance from their work. The power for operating the street railway is not derived from the municipal source, the Current

River, but is purchased from the important Kaministiquia Power Co. It is of essential importance to the future of Port Arthur that so important a source of power is at its disposal, in addition to its own resources. This power is developed from the Kakabeka Falls on the Kaministiquia River, the company's power house being 18 miles from Port Arthur. In a distance of 6,500ft. the Kaministiquia River falls 180ft., which at low water is sufficient to develop upwards of 15,000 h.p. This river has a drainage area of 2,800 square miles, and at a moderate expense the output is capable of development to 30,000 h.p. The minimum charge of the Kaministiquia Company is a uniform one, and is also a very advantageous one to consumers, $25 per h.p. per annum. It is satisfactory to note that the company's business is continually expanding, its original customers increasing their demands for additional power, while new customers are always being obtained.

The "single tax" finds no place in Port Arthur's taxation scheme, which is much wider than that of the Western Provinces. It includes a land-tax, a buildings tax, a business tax, and an income tax. The land tax is levied on about 70 per cent. of the site values; the buildings and improvements tax on about 50 per cent. of their values. The business tax has the assessed value of the land occupied as a basis, but varies greatly according to the nature of the business carried on. Thus retail dealers pay on 25 per cent.; newspaper owners on 35 per cent., a professional man on 50 per cent.; banks and finance houses, wholesale merchants, insurance, on 75 per cent., and distillers, in a class by themselves, on 150 per cent. of the assessed value of the land occupied for business purposes by them. The income tax is of limited application as the great majority of men paying business tax are

exempt from it. The tax is levied on every person not liable to business assessment and also on professional men in respect to the amount of their income exceeding their business assessment.

The rate of Port Arthur s taxation in 1911 was 27 mills to the dollar ; in 1912 and 1913, 23 mills, and for 1914 it will probably be 22 mills to the dollar, thus ranging from 5½d. to 8d. in the £. It will be noted that the tax falls mainly on the value of the land, not on the value of the rental as in England, so that it is almost impossible to make any accurate statement as to the comparative incidence of municipal taxation in the two countries.

The rapid increase in the value of the assessments is clearly shown by the following figures :—

1906	$5,023,889
1910	13,496,080
1911	17,781,147
1912	26,286,062
1913	33,443,960
1914 (estimated)	40,000,000

The amount of taxes levied on the above was :—

1908	$234,900
1909	252,375
1910	294,774
1911	372,021
1912	391,177
1913	567,088

It speaks well for the financial position of the city that of the $391,177 appearing under the head of 1912, only $16,144 was from the uncollected taxes of the previous year.

The total municipal revenue receipts of Port Arthur for 1912 from taxes, licences, fines, interest on sinking funds invested, etc., was $419,093, and the ordinary ex-

penditure in the same time was $418,754, showing a net surplus of $239. I have already mentioned that the result of the working of the whole of the public utilities was a considerable net gain. The waterworks department, however, showed a net loss during the year of $7,160, and the telephone department a net loss of $2,621, but these deficiencies were much more than compensated by the profit on the other civic utilities. The electric light department showed a net gain of $18 656 the power department of $24,033, and the electric street railway of $4,407, so that the balance to the credit of the municipality on the whole operations of its utilities in the year was $37,555, which must be considered quite a satisfactory result. It is an essential point for investors to note that before the balance of profit and loss on these public utilities is struck, the interest on the debentures which have been issued for their construction has been charged to their debit, and that the subsequent net profit of $37,555 is available for a general reduction of the taxation of the city.

The financial position as regarding the debenture debt of the City of Port Arthur may be briefly put as follows :

Total debenture debt		$6,932,542
Of this amount there was expended for local improvements, frontages, etc.	$1,517,420	
For telephone, electric light and power systems	3,276,118	
		4,793,538
If from this is deducted the sinking fund, already invested	454,809	
And the mortgage bonds of the Atikokan Iron Co.	200,000	
		654,189
It leaves a net debenture debt of		$1,484,195

for which alone the municipality has to provide interest

for general civic purposes, independently of the public utilities. This net indebtedness is more than represented in the other assets of the city, as the balance-sheet on the 31st December, 1912, showed a surplus of ledger assets over liabilities, including reserves, of $479,484.

Port Arthur, with the resources of hydro-electric power to which I have already referred, offers considerable advantages to manufacturers. The city has purchased 1,400 acres situated on the fine deep water front of Thunder Bay, having railway frontages on the Canadian Pacific Railway and the Canadian Northern Railway. These frontages are given free to factories, under certain conditions as to the nature of the buildings to be erected and the number of operatives which shall be employed. The city provides, at a reasonable charge, an electric service to these frontages, all of which are within the city limits.

I have already dealt at considerable length with the unique position of the "Twin-Cities," as the great Canadian port at the head of Lake Superior. In addition to this source of future greatness, Port Arthur is the site of the Western Dry Dock and Shipbuilding Company's operations, and I must confess my surprise when I saw that steamers of such great tonnage are being built there. The steamship "Noronic" had been launched when I was in Port Arthur, and was then lying alongside the dock awaiting her final equipment. This is the largest and finest passenger steamer plying on the Great Lakes, being of the same type as the sister-ship "Huronic." There are 1,000 men on the pay-roll of these shipbuilders.

Lake Superior has long been noted for the magnitude of its deposits of iron ore. The Atikokan iron mines are situated 140 miles west of Port Arthur, and are said to

contain 10,000,000 tons of ore, averaging 60 per cent. iron. These belong to the Atikokan Iron Company, whose large smelting works are located at Port Arthur, and whose operatives tend to swell its roll of tax-payers. I am informed that recently enormous deposits of iron ore have been found only 40 miles from Port Arthur on the line of the Canadian Northern Railway. If this report is proved to be well founded it will add considerably to the importance of the town.

The traveller who for the first time approaches Port Arthur from the east will be struck by the bold and rocky shores which environ Lake Superior on the north, and will consider, probably rightly, that cultivation over a large district is impossible. But although Port Arthur is 438 miles from Winnipeg, where the prairie country properly begins, this does not prove that there is no good cultivable area within easy reach of the "Twin-Cities." On the contrary, on leaving Fort William one at once emerges into the valley of the Kaministiquia River, containing a large area of good grass expanses suitable for horses, sheep, pigs, poultry and dairying purposes, as well as for the cultivation of vegetables.

Port Arthur is also the headquarters of a great lumber industry.

As regards railway communication, the "Twin-Cities" are highly favoured, as the three transcontinental lines—the Canadian Pacific, the Canadian Northern, and the Grand Trunk Pacific—all pass through them. As a notable sporting centre Port Arthur will always prove attractive. To the East lies the Nipigon River and Lake Nipigon, world-famous for the superior quality and size of its trout, and the line of the Grand Trunk Railway from Port Arthur to Winnipeg (on which I

travelled recently) passes through a region which seems to be a veritable paradise for the hunter and fisherman.

With its fine natural advantages and a healthy climate Port Arthur will always be a favourite residential city. The adjoining golf links and country clubhouse are quite attractive.

I have already said that the land lying between Port Arthur and Fort William is being rapidly developed. Of this Inter-City land 400 acres are owned by the Liverpool company, "Canadian Resources Development," and considerable sums of money were being spent in the course of its development when I was there. Not only were a large number of good roads in process of construction, but houses were being built and occupied very rapidly. The Alberta Land Company is another corporation owning some 125 acres in the same locality, and this area is also being rapidly covered by buildings of a fair class, costing about $1,800 each.

This rapid development emphasises the conviction that the amalgamation of the two cities cannot long be delayed. Such an amalgamation would at once destroy any petty rivalry now existing between the two communities, and the combined city would certainly be able to command money for its future requirements with greater facility than either of them could do separately.

THE "TWIN CITIES."

II.—FORT WILLIAM.

The full particulars given in my recent letter on Port Arthur make it unnecessary to dilate on the commanding position held by the "Twin-Cities" at the head of navigation on Lake Superior, where rail and sail meet.

The harbour of Fort William is complementary to that of Port Arthur, that is to say, while the harbour of Port Arthur is altogether in Thunder Bay itself, the harbourage of Fort William is provided mainly by the River Kaministiquia. This river, before emptying its waters into Thunder Bay, divides itself into three distinct branches, known as the Kaministiquia, the McKellar and the Mission Rivers. In this operation it creates two islands and provides some 26 miles of really an inner harbour off Thunder Bay.

On the Kaministiquia River branch of the harbour are located the Dominion Government's new elevator, with a storage capacity of 3,500,000 bushels, the Empire elevator, the four elevators of the Canadian Pacific Railway, with the great coal docks and freight and flour

sheds of that company. Here, too, are situated the Ogilvie flour mills and elevator, the Imperial Oil Company's docks and tanks, the Grand Trunk Pacific's dock and freight shed, besides several other industries and elevators.

On the McKellar River, at the junction of the Kaministiquia, are located the dry dock and shops of the Great Lakes Dredging Co., and at its mouth the new coal handling plant of the Canadian Pacific Railway, costing $2,000,000.

The Grand Trunk Pacific Railway Co. is making great use of the Mission River for its elevators, docks, and freight sheds, and here, too, are situated the plant of the Nanton Starch Works, the plant and docks of Seaman, King & Co., and the Fort William Coal Dock plant. From this it will be seen that Fort William has already made great strides towards assuring its position as a notable port.

The expenditure of the Dominion Government and of the transcontinental railway companies in Fort William of recent years has been enormous. In 1912 alone, the elevator capacity of the city was increased nearly one-half—by 9,000,000 bushels, to a total of 29,000,000 bushels, and the aggregate outlay on its 26 miles of land-locked harbour during that period, including dredging, additions to docks, elevators, freight sheds, etc., is said to have amounted to $14,000,000. It is unnecessary to point out that this very large sum of money would not have been expended on lasting improvements of this nature if Fort William savoured of the mushroom city. Like Port Arthur, the tendency of Fort William must always be towards growth and development, which could not fail to be greatly

accelerated by the union of the two cities under one administration. The railway terminal facilities now aggregate 175 miles in length; in 1912 the Canadian Pacific Railway increased its terminals from 82 miles to 125 miles, and the Grand Trunk Pacific from 32 miles to 50 miles.

It would be difficult to over-estimate, either from the social or commercial point of view, the value of the large area of fine cultivable land—much of it already under mixed farming—lying immediately to the westward of Fort William in the Kaministiquia Valley.

The advantages which Fort William possesses as a manufacturing centre through the power obtained from the adjacent Kakabeka Falls, will be largely increased if the reported existence of an immense deposit of iron ore in the near neighbourhood be confirmed.

The early history of Fort William is wrapped in some obscurity, but tradition has it that even before the inception of the Hudson's Bay Company two voyageurs, Radisson and Groselliers, left Montreal in their birch bark canoes in quest of the valuable furs of the West, and that after encountering many perilous adventures they found themselves at the end of Lake Superior, their frail craft protected by the great highlands which shelter Thunder Bay at the mouth of the Kaministiquia River. In the fertile valley of that river and amongst the forests which environed it, furs were plentiful, so that others followed the hardy pioneers, and Fort William became a settlement.

The modern Fort William dates back no further than 1891, when the Canadian Pacific Railway established the terminals of their epoch-making line there. A year later, with a population of 1,980, it was incorporated as a town, and in 1907 it became the City of Fort William. The

following table will show that the growth has been considerable and progressive during the last decade :—

Year.	Population.
1892	1,980
1902	4,796
1905	7,832
1907	13,882
1909	18,003
1911	20,644
1912	22,844
1913 (estimated)	27,000

The public utilities owned by the municipality are the waterworks, the electric street railway, the electric light system, and the telephone system. The electric street railway, although owned by Fort William, is leased to Port Arthur, which municipality thus operates the joint lines throughout the two municipalities. The Fort William portion is a double-track system extending from the western limits of the city and running parallel with the Kaministiquia River to the eastern limits, where it connects with Port Arthur without transfer.

The water supply of Fort William is obtained from Loch Lomond, lying five miles to the south-west of the city. This lake, which serves as the basin of a watershed composed almost entirely of pure granite, lies 333ft. above the city level, thus giving a gravity pressure of from 85lb. to 115lb. to the consumers. The water, like that contained in the Scotch Loch Lomond, is notable for its softness and purity. It is conveyed to the city by an 18-inch pipeline, part of which is tunnelled through Mount McKay.

The electric light system is operated by the city with power derived from the Kaministiquia Power Company, but the hydro-electric power for the factories is sold direct by that company to consumers.

Fort William has not been quite so happy in operating its public utilities as Port Arthur. My previous letter will have shown that the latter city, on a balance of all its public utilities, made a net gain, after paying all operating expenses, including interest on debentures, of $37,555 for the year 1912. Fort William began 1912 with a net loss on the water system amounting to $58,568, and on the telephone system of $42,206, the total loss on the two utilities being $100,774. Against this must be placed a gain on the electric light system till December 31st, 1911, of $26,747, leaving a net loss at that date of $74,027. But evidently the corner is now being turned in the working of these utilities, as although the loss on the water system for the year ended 31st December, 1912, was $12,933, this was more than balanced by a gain on the telephone service of $4,025, and on the electric light service of $21,085. Therefore a net gain accrued on the working of the whole of the public utilities for 1912 of $12,177. If this profit is deducted from the loss outstanding at the beginning of the twelve months, it reduces the loss on all utilities at December 31st, 1912, to the not very formidable amount of $61,840.

That the value of the assessable properties in Fort William has risen rapidly is shown by the following figures, the result being that the rate of taxation has fallen from 26 mills to the dollar in 1912 to 20½ mills for 1913.

Municipal Assessment.

1908	$11,141,387
1910	19,465,367
1911	23,049,030
1912	25,088,742
1913	39,053,984

The total revenue receipts of the city, including

taxes, licences, fines, interest on sinking fund, etc. amounted to $618,500, and the total expenditure to $635,580, showing an excess of expenditure over revenue, after providing for all accrued charges and paying into the sinking fund the full amount levied from local improvement, of $12,080.

The debenture indebtedness of the city on the 31st December, 1912, stood as follows :—

Total general debentures, including street railway issues	$1,933,489
Debentures issued for local improvements ...	1,416,140
Debentures issued for public utilities	1,300,814
Total	$4,650,444
Sinking fund reserve	668,660
Instalment debenture reserve	61,974
Reserve for accrued interest till Dec. 31, 1912	56,061
	$5,437,139

This sum is accounted for by assets amounting to $5,370,086 (mostly tangible, but including $379,000 paid as bonuses by the city to manufacturing enterprises and to the Grand Trunk Pacific Railway, as inducement to locate their undertakings in Fort William), leaving an excess of liabilities over assets of $67,052.

No doubt both Fort William and Port Arthur will maintain a reasonable rate of progress, even if they continue as independent municipalities. But the deep impression made on me during my first visit, as to the desirability of the merging of these two moderate entities into one important municipality, has been more than confirmed by my subsequent visits and by my close examination into their financial accounts. Never, in the course of a long experience, have I met with a case where the continuance of a separate existence was so

indefensible. The position is so evident that no special pleading is required : even a reasoned argument is almost a waste of words. From two small settlements Port Arthur and Fort William have during the past ten years grown, thanks to their unique position with regard to Western Canadian development, into two moderate-sized towns, in which the inter-city space has in the process almost disappeared. The residents of both cities have high municipal ideals : they desire the most up-to-date administration as to roads, streets, city buildings, police, water, light, power, sewers and every incidental of advanced modern civilisation. Is it possible that this desire can be as effectively satisfied by two comparatively small communities, remaining apart at a stone's-throw from one another, instead of uniting in the common weal, with one mayor, one council, one chief of police, one chief engineer for the city utilities ? In the latter event the economy to be derived from the present useless duplication of officials would place the finance of the amalgamated cities on an infinitely sounder basis than that now existing in the individual municipalities.

Fort William may well be content to merge its individuality in a great Port Arthur, which in the future will by the magnitude of its business attain a world-wide recognition and always be able to secure the willing aid of capital for its fuller growth and consolidation.

CONCLUSION.

The subject of the borrowings of the Canadian Western municipalities is one of such interest to investors that on my return I now propose to summarise briefly the general impressions formed during my recent visit to the principal cities of the Canadian West.

The main question from the outset which I had to consider was whether these Western Corporations had, by their very considerable debenture issues, been so recklessly borrowing money that they were placing on their taxpayers a burden too heavy for them to bear, the ultimate result being the risk of insolvency or a compounding of liability.

The general reply to this question should be based on a much less superficial foundation than the fact that here and there a third-rate municipality, in its desire to become quickly a second Winnipeg, may have somewhat perilously mortgaged its future by a too early adoption of modern civic improvements, which are nowhere inexpensive, but which in Western Canada are always especially costly.

My opinion is that the future prosperity of these Western cities must arise mainly from that source which has been the chief cause of their emergence from the bare prairie, and the attainment of their present im-

portant, up-to-date position. That source is the development of the agricultural land in the West. If the settlement of Western Canada as a farming country progresses in the future as it has done during the last decade, then its cities will proportionately increase in size, wealth and population, and will be able to meet their financial obligations with greater ease even than at present. In other words, the problem partly is, will Canada continue to attract large numbers of settlers to her lands and, partly, will a fair proportion both of the old and new settlers proceed with a more intensive system of farming than that which was first in vogue by the earlier settlers ?

As to the advantages possessed by Canada, I can hardly do better than cite some remarks in an article on the Canadian Pacific Railway, which was published in the "Investors' Guardian" some years ago. I then wrote as follows :—" In what other country of the world except Canada can a man, no matter of what nationality, arrive with little or no monetary resources and yet in a few years find himself the absolute proprietor of a farm of 160 acres or more ? And this in a land easily accessible by rail, with a ready market for his produce, and where he will have perfect liberty and find an opportunity of giving his children a sound modern education. If a man is capable of manual labour—and otherwise he is of no use as a farmer—he can find on arrival in Canada in the spring steady remunerative work outside his farm during the summer, by which he can save sufficient money to keep him while he fills the statutory residential requirements of the year by residing on his farm during the six winter months, and also enough to pay some neighbouring farmer for ploughing the statutory twenty acres. This can be repeated during the second and third

summers, during which he will also begin to derive a helpful income from the proceeds of his own crops, and he will thus find himself at the end of three years with the fee simple of his farm secured to him. In the event of his not making enough from his summer's work the local banks will always advance to a respectable hard-working man money sufficient for the material for his house and for the purchase of his necessary stock, while implement makers will supply what ploughs, etc., he may require on extremely liberal terms."

Although I had no special individual in my mind, the following incident will show that this was no unreal statement as to what it was possible for a settler without capital to do in the West. During my last visit I was waiting at Moose Jaw Station to catch the eastward-bound train. It was late, the station was thronged, and casually I found myself in close proximity to a respectable-looking man of about 40. Some small occurrence broke the ice ; we entered into conversation, and he told me his history. He had been an operative in a Quebec factory, getting $6 a week, which was afterwards increased, the maximum earned by him being $7.50—say 32s.—a week. He considered that there were no prospects of advancement, and he decided to throw up his berth and try his fortune out West. He homesteaded a few miles from Moose Jaw. The first few years he worked off the farm as a day labourer during the summer, lived his statutory six months on the farm during the winter, and at the end of the three years was the owner of his freehold farm of 160 acres. He then stuck to his work on the farm, prospered, saved money, bought an additional 160 acres, and, still continuing his success, told me that he estimated he was now worth $35,000 to $40,000.

So struck was I with the similarity of his career to that which I had portrayed as possible, that I said to him, "Why, you are the man whose history I have written," and, getting from him his name and address, I have since sent him a copy of the article.

This instance of the success of the penniless settler is not rare, for I was told by the Superintendent of the Government Land Office at Edmonton that he had never known a British agricultural labourer who homesteaded who did not make a sound success of his subsequent farming operations.

British settlers are the mainstay of the Canadian West, but it is not only from these islands that the prairie is deriving its increase of population. All European countries are well represented and there are large colonies of some nationalities, like the Galicians. A few have come out, settled, and done well, and thus formed the nucleus of these large communities, which are generally prosperous.

Besides this, Eastern Canada has sent liberally of her enterprising youth to the land as well as to the cities, but next to Great Britain it is probable that the migration from the United States has contributed the most considerable proportion to the farming population of the West. Although many from the States were either Canadian born or the descendants of Canadians who had migrated to the States before the Dominion had started on its new career, there must also be a good many native-born Americans amongst them. At Edmonton I met a family just arrived from Oklahoma, after having sold their farm there, where they had been doing well. Their inducement for the change was that in Western Canada 160 acres could be had for each of the numerous

boys merely by homesteading, whereas in Oklahoma the price of land precluded any such action.

The great future of Western Canada will no doubt continue to be influenced by the hosts of all nationalities, with small means, but impelled by "land hunger," who will find elsewhere no such solid advantages as those offered by the West. But the new-comers will not be confined to this class. Men with moderate means and their families settle in Canada, are satisfied with their experience, and then induce their own relations and their wife's relations to come out and homestead, and thus the circle ever widens. I have met with notable instances of this. No doubt there are many disappointments; the work is hard, the winters are cold, and often the prairie life is very lonely; some of the women, particularly, are said to be greatly distressed by the solitariness of their lives.

But, after all, these are the exceptions, and great are the numbers of those met with in the West who prefer its climate and life to the conditions obtainable by them in England. At the moment of writing I have just received a letter from a lady introducing a young Englishman, who is ranching to the north of North Battleford. When I last saw her a few years ago she was living in Berkshire, making a strenuous effort against unfavourable circumstances. This lady has a keen critical faculty, and her impression of the Canadian West, and that in mid-winter, may be gathered from the following extract. She writes, under date of 27th January, 1914:—"I have come out to Canada to join my five sons, who are farming the above place. My sons have nearly 2,000 acres of prairie land in this lovely, sunny Alberta."

Notwithstanding a reduction during 1913 of nearly

20 per cent. in the tide of immigration from the United States, the past year was a record one as to aggregate volume,when all sources are taken into account. It will be seen from the following statistics that the British immigrants increased by 10 per cent., and the Foreign, excluding American, by no less than 35 per cent.

Immigration for eleven months ended November 30.

Nationality.	1912.	1913.
British	142,797	155,128
American	134,380	111,483
All other countries	105,602	142,637

Of this number there would undoubtedly be a large proportion of settlers with means, small or moderate, who had preferred to take up the choicer lands, or lands nearer to towns, owned by the big railway or land companies, rather than locate themselves on the free areas, always lessening, which are available to the homesteader. But, with the completion of the railways now under construction, homesteading in the Peace River district, which has been going on for some years, will assume much larger proportions, as the Government lands farther east are being taken up. As to the quality of the Peace River lands, I had recently the privilege of an interview at Vancouver with that eminent authority on the West, Mr. Cambie, the chief civil engineer of the Canadian Pacific Railway, on whose shoulders fell the burden of the decision as to the route to be adopted and then of the survey when that line was in process of construction from Fort William to Vancouver. Mr. Cambie was enthusiastic as to the agricultural wealth of the prairie Peace River country : " Days and days of travel : rich black mould, not a stone ; the wallows of the buffalo everywhere in evidence ; one-third copse and moderate timber, the remainder fine farming lands."

The climate of the district is no colder than that of the wheat-area to the south, and till its land is taken up by settlers I look to no slackening in the volume of agricultural immigration.

With this endless influx of new settlers there is a strong and simultaneous action of the second factor to which I have alluded as conducing to the development of agriculture in the West and to the increase of population. A more intensive system—instead of the simple wheat-growing, which alone occupied the attention of the early settlers—in the form of mixed farming, is now making great progress. During the three years' interval between my visits the progress achieved in this respect is very great. Areas previously limited to wheat are now being also devoted to the rearing of cattle and pigs. The demand for these is large, and the settler always has the advantage of a rising market, as the supply is inadequate. Then as to cows and dairying. Ontario was one of the first in the field to institute creameries, with their systematic collection and treatment of the milk from the dairies of farmers in the district, and this Ontarian system has been successfully adopted in the West. Although I have not included the little city of Vermillion in this series, I have yet stayed there on both my visits, and it may be taken as a type of what is transpiring over a considerable area in the West. As mentioned in my letter on Edmonton, the creamery there turned out 7,000lb. of butter in the week of my last visit. This was quite independent of the large amount of cream which, in vessels of many sizes, I saw standing at the station awaiting the train for Edmonton. The cities and farmers thus have a reciprocally beneficial influence on one another, as the farmer is encouraged by the demand from the town to pay more attention to the

production of fresh meat, poultry, milk, cream, forage and vegetables, while the city benefits from the larger amount of money which the countryman has to spend in it. With mixed farming, too, a much closer settlement, with consequent increase in population, is always in progress.

It is my conviction that Western Canada will continue to progress, and with no faltering steps, on these two lines; on the one hand, by the breaking up of fresh areas of land by new settlers, and on the other by a much more extensive adoption of the system of mixed farming, and, coincident with this, a proportionate increase of the cities which I have described in size, population and financial responsibility seems to me to be assured.

In the matter of Canadian borrowings one is perhaps mentally inclined to lay too great a proportion of it on the Western portion of the Dominion. During last year there was advanced in England on Canadian securities over £50,000,000, bringing Canadian indebtedness to capitalists in this country to about ten times that amount, say £500,000,000, while from the United States the advances are estimated at £100,000,000, the annual interest payable on the aggregate debt being something like £27,000,000. But this item is not so startling when it is realised that it is spread over the whole Dominion, whose present annual wealth production from the sources mentioned below is estimated at £500,000,000 :—

Annual value of product of crops	£105,000,000
Annual value of product of fisheries	7,000,000
Annual value of product of minerals	29,000,000
Annual value of product of forests	36,000,000
Annual value of manufactured products ...	324,000,000
	£501,000,000

These figures do not include animals, animal products,

dairy products, etc., otherwise the value would be raised to about £600,000,000 sterling. In other words, Canada is already producing in one year wealth sufficient, or nearly sufficient, to pay off the whole of the borrowings, so that an annual payment of £27,000,000 for the use of the money, without which nothing like such a production of wealth could have been obtained, is not an unreasonable one ; it should be easily met by the community at large out of the earnings which the capital has made practicable.

In this connection it is well to bear in mind that the main debt of Canada has been incurred for reproductive works, such as railways, docks, canals, and the building up of her cities. No costly war has been forced on her in the past, and at present her military expenditure is trivial, while her naval outlay, so far, is negligible. At present her expenditure is limited to the social needs of her people, and her past borrowings are mainly represented by tangible and valuable assets.

I do not propose to attempt any brief summing up of the respective merits as to the credit of the Western cities. The would-be investor must be referred to the full details of each letter ; from them he will be able to form a more assured opinion than if I were to briefly class the cities as A1 or A4, after the manner of Lloyd's Register of Shipping.

But I venture to think that any reader who will take the pains to refer to my letter on the special city in which he is interested cannot fail to draw from the facts which I have recited a better idea as to its calibre, soundness and prospects of future growth and stability than by any other means short of a personal visit, coupled with a personal examination of the City accounts.

The general conclusion at which I have arrived is that the British capital invested in the securities of the Canadian Western Municipalities has a good and sure basis in the valuable assets owned by these cities, that interest on debentures will be promptly forthcoming, and, at its due date, that the capital will be repaid.

Such a belief is not at all at variance with the opinion that a too-easily-obtained credit can hardly fail to be somewhat demoralising to an ordinary municipality. Already, I take it that there would be less general inflation in Western Canada at the present time, an inflation of town lots, of cost of construction—houses, stores, railways, public works—of wages generally, if money from outside had been more difficult to obtain. The close proximity to the United States increases the fear of the spread across the border of the graft rampant there, unless that unpleasant spectacle has the same tonic influence on the Canadian City Councillors that the exhibition of the drunken helot had on the Spartan child. As far as I could judge, and I have more than once given expression to this opinion in these letters, the Western municipalities are singularly free from this insidious graft, but the recent disclosures as to the construction of the trans-continental railway show that the malady has a much stronger grasp of the country than was thought.

In conclusion, I would emphasise the point expressed in these letters, that it is difficult for one who has not seen the development of these Western cities, and at different periods of their growth, to understand the large amount of money which is required if, without undue delay, they are to be furnished with the good roads, streets, ample water supply, sewers, electric light

and power, street railways, and municipal buildings which modern opinion demands.

The reader of these letters will not fail to realise that, in many cases the undertakings owned and operated by the city, its water works, lighting system, power system, street railway, would, if owned by private enterprises, be valued at a higher sum in company shares and debentures than the whole indebtedness of the municipality.

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